



## **City of Fontana**

### **City Council Meeting**

### **Regular Agenda**

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

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**Tuesday, September 28, 2021**

**7:00 PM**

**Grover W. Taylor Council Chambers**

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#### **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, the Grover W. Taylor Council Chambers 8353 Sierra Avenue Fontana, CA 92335 is wheelchair accessible, and a portable microphone is available. 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. 5:00 P.M. Joint City Council and Planning Commission Workshop**

- (A) SB 2 Grant (Downtown) Update (Principal Planner DiTanyon Johnson to present);** [21-847](#)
- (B) Pavement Management (Director of Public Works Keith Kramer to present);**
- (C) Public Comments;**
- (D) Agenda Review; and**
- (E) City Manager Comments**

**PUBLIC COMMUNICATION - CLOSED SESSION:**

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

**A. Public Communications - Closed Session****CLOSED SESSION:****A. 6:00 P.M. CLOSED SESSION**

**CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO GOVERNMENT CODE SECTION 54957.6** **21-848**

City Negotiator: Mark Denny, City Manager and Rakesha Thomas,

Director of Human Resources and Risk Management

Employee Organization(s): Teamsters Local 1932 City Hall Bargaining Unit;

Teamsters Local 1932 Yard Bargaining Unit; and Management/Confidential Employees

**CONFERENCE WITH REAL PROPERTY NEGOTIATOR PURSUANT TO GOVERNMENT CODE SECTION 54956.8:**

Property: APN #025510122 & #025510123

Property Owner: City of Fontana

Negotiating: Price & Terms

Negotiating Parties: Mark Denny, City Manager & The Related Companies

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - INITIATION OF LITIGATION** pursuant to Paragraph (4) subdivision (d) of Section 54956.9: one potential case.

**PUBLIC EMPLOYEE APPOINTMENT** pursuant to Government Code Section 54957: Interim City Manager

**CONFERENCE WITH LEGAL COUNSEL— SIGNIFICANT EXPOSURE TO LITIGATION**, pursuant to Government Code section 54956.9(d)(2)) - One (1) potential case.

**CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION**

(Paragraph (1) of subdivision (d) of Section 54956.9)

Name of case: Sierra Club v. City of Fontana, et al. San Bernardino

Superior Court Case No. CIVSB2121605; and  
People of the State of California v. City of Fontana, et al.  
San Bernardino Superior Court Case No. CIVSB2121829

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS**  
(Gov. Code section 54956.8)

Property: Various locations including: Baseline/15 Fwy,  
Citrus and Sierra Lakes Pkwy, Citrus and South Highland  
Avenue, Cherry and San Bernardino Avenue, and Jessie  
Turner Center.

City Negotiator: Mark Denny, City Manager

Negotiating Parties: Lamar Central Outdoor, LLC

Under Negotiation: Price and terms of payment

**CALL TO ORDER/ROLL CALL:**

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

**INVOCATION/PLEDGE OF ALLEGIANCE:**

- A. Fontana Police Department Chaplain Jason Torres/ Pledge of Allegiance

**PROCLAMATION:**

- A. Mayor Warren and City Council to proclaim October as  
Community Planning Month (Principal Planner DiTanyon  
Johnson to present).

[21-693](#)

**SPECIAL PRESENTATIONS:**

- A. Mayor Warren and City Council to recognize Management  
Services Director/ Deputy City Treasurer Lisa Strong on her  
retirement (Mayor Warren, City Council and City Manager Mark  
Denny to present).

[21-892](#)

- B. Mayor Warren and City Council to recognize Corporal  
Christopher Romo, Officer Taylor Hart, Officer Chad Ebli,  
Officer Mark Ruff and Records Specialist Curran Mitchell as  
the Police Department's August 2021 Employees of the Month  
(Captain Burton and Captain Stover to present).

**PUBLIC COMMUNICATIONS:**

This is an opportunity for citizens to speak to the City Council for up to 3 minutes on items not on the Agenda, but within the City Council's jurisdiction. 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. The Council is prohibited by law from discussing or taking immediate action on non-agendized items.

**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. Does any member of the public wish to address the City Council regarding any item on the Consent Calendar before the vote is taken?

**A. Approval of Minutes [21-907](#)**

Approve the minutes of the September 14, 2021, City Council Meeting.

**Attachments:** [Minutes - 09.14.2021](#)

**B. Approve Crossing Guard Service Agreement between Fontana Unified School District, Etiwanda School District, and the City of Fontana [21-894](#)**

1. Approve the Crossing Guard Services Agreement with Fontana Unified School District (FUSD), Etiwanda School District (ESD), and the City of Fontana (COF) for a one-year (1) term and up to a maximum of five (5) additional one-year terms. The contract rate is \$23.31 per hour for the first term of the contract;

2. Approve a recurring appropriation from General Fund #101 to 10140352.8130 to provide for the annual contract increase over the prior year in the amount of \$30,420.00.

**Attachments:** [Fontana USD Crossing Guard Services Agreement](#)

**C. Approve Replacement of Securities for Tract No. 17039 [21-875](#)**

Approve replacement of securities for infrastructure improvements of Tract No. 17039 and authorize the City Manager to enter into a Subdivision Agreement with Richmond American Homes of Maryland, Inc. for construction of infrastructure improvements.

**Attachments:** [Tract 17039 Vicinity Map](#)  
[Subdivision Improvement Agreement Tract Map No. 17039](#)

**D. Apply and Accept Reimbursement from Transportation Development Act (TDA) Funding. [21-866](#)**

Authorize the Public Works Department to apply and accept reimbursement funding from the Transportation Development Act (TDA) funding for Bike and Pedestrian Route Maintenance.

**E. Approve Agreements between City of Fontana and the Enterprise Fleet Management Inc. [21-889](#)**



1. Approve the City Manager or his assigned designee to sign the Master Equity Lease Agreement, Maintenance Agreement and a Maintenance Management and Fleet Rental Agreement with Enterprise Fleet Management, Inc., for five test vehicles.

2. Authorize an approved list of Authorized Signers to allow designated staff to execute Enterprise Schedules to the Master Lease Agreement for individual motor vehicles together with any other necessary documents in connection with those Schedules.

**Attachments:** [Master Equity Lease Contract](#)  
[Enterprise Full Maintenance Contract](#)  
[Sourcewell Enterprise Acceptance and Award](#)  
[Copy of Lease Pricing Sheet Sept 16th](#)

**F. Police Department Monthly Information Update [21-887](#)**

Accept the Police Department monthly information update for August 2021.

**Attachments:** [August 2021 Report for City Council](#)

**G. Resolution approving Amendment to Five-Year Permanent Local Housing Allocation Plan [21-880](#)**

Adopt **Resolution No. 2021-\_\_\_\_\_**, approving the amendment to the five-year Permanent Local Housing Allocation (PLHA) Plan that will be submitted to the California Department of Housing and Community Development (HCD).

**Attachments:** [Resoultion PHLA Amendment 082221 \(002\)](#)

**H. Resolution Ratifying the Memorandum of Understanding Between the City of Fontana and the Fontana Police Benefit Association [21-901](#)**

Adopt **Resolution No. 2021-\_\_\_\_\_** a Resolution of the City Council of the City of Fontana ratifying the Memorandum of Understanding between the City of Fontana and the Fontana Police Benefit Association.

**Attachments:** [PBA MOU](#)  
[Resolution Ratifying PBA MOU 10/26/21](#)

**Approve Consent Calendar Item as recommended by staff.**

**PUBLIC HEARINGS:**

To speak on Public Hearing Items, submit comments via e-mail at [publiccomments@fontana.org](mailto:publiccomments@fontana.org). 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 Weed Abatement Accounts [21-885](#)**

1. Authorize staff to complete and record lien notices against real property for those sewer accounts sixty days or more delinquent as described in the 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. 2021-\_\_\_**, 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 Liens](#)  
[Public Hearing Notice - Sewer Liens](#)  
[Public Hearing Notice - Weed Liens](#)  
[Weed Abatement Resolution September 2021](#)

**B. Appeal No. 21-003: A request to overturn the Planning Commission's decision on July 6, 2021, approving Master Case No. 21-034 for Design Review No. 21-003 pursuant to a CEQA Guidelines Section 15332 Categorical Exemption for the development of an approximately 4.07 acre site with a proposed warehouse building totaling approximately 92,433 square feet located on the northwest corner of Valley Boulevard and Catawba Avenue at 15894 Valley Boulevard (APN: 0235-141-04) [21-886](#)**

Deny Appeal No. 21-003, and uphold the Planning Commission's decision on July 6th, 2021, approving Master Case No. 21-034 for Design Review No.

21-003 pursuant to a California Environmental Quality Act ("CEQA") Guidelines Section 15332 Categorical Exemption for the development of an approximately 4.07 acre site with a proposed warehouse building totaling approximately 92,433 square feet located on the northwest corner of Valley Boulevard and Catawba Avenue at 15894 Valley Boulevard (APN: 0235-141-04).

**Attachments:** [Attachment 1 Appeal Letter](#)  
[Attachment 2 - Vicinity Map](#)  
[Attachment 3 - Site Plan](#)  
[Attachment 4 - Elevations and Rendering](#)  
[Attachment 5 PC Report July 6, 2021](#)  
[Attachment 6 -PC Meeting Minutes](#)  
[Attachment 7 Response to Appeal 9 8 21\[1\]](#)  
[Attachment 8 Additional Conditions of Approval\[1\]](#)  
[Attachment 9 Public Notice](#)  
[Attachment No. 10 Categorical Exemption Report](#)

## NEW BUSINESS:

**A. Issuance of Special Tax Bonds for CFD #31 (Citrus Heights North) [21-751](#)**

Adopt **Resolution No. 2021-\_\_\_\_\_** of the City Council of the City of Fontana authorizing the issuance of City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Bonds, Series 2021, in an aggregate principal amount of not to exceed \$9,500,000, authorizing the execution and delivery of a First Supplemental 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:** [First Supplemental Indenture](#)  
[Continuing Disclosure Agreement](#)  
[Bond Purchase Agreement](#)  
[Preliminary Official Statement](#)  
[Third Amendment to Acquisition and Funding Agreement](#)  
[Final Appraisal Report](#)

**B. Interim City Manager Employment Agreement [21-922](#)**

Approve the Interim City Manager Employment Agreement (Attachment A)

**Attachments:** [Yauchzee, S Interim City Manager Contract](#)  
[Resolution Approving the Interim City Manager Employment Agreement](#)

**ELECTED OFFICIALS COMMUNICATIONS/REPORTS:**

- A. Elected Officials Communications/Reports**

**CITY MANAGER COMMUNICATIONS:**

- A. City Manager Communications**

**ADJOURNMENT:**

- A. Adjournment**

To the next Regular City Council Meeting on Tuesday, October 12, 2021 at 7:00 p.m. in the Grover W. Taylor Council Chambers located at 8353 Sierra Ave, Fontana, California.



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

**File #:** 21-847

**Agenda #:**

**Agenda Date:** 9/28/2021

**Category:** Workshop

#### Joint City Council and Planning Commission Workshop

Tuesday, September 28, 2021

5:00 P.M.

Council Chambers



## City Council

Acquanetta Warren, Mayor

Phillip W. Cothran, Mayor Pro Tam

John Roberts, Council Member

Jesse "Jesus" Sandoval, Council Member

Peter Garcia, Council Member



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

**File #:** 21-848

**Agenda #:**

**Agenda Date:** 9/28/2021

**Category:** Closed Session

### Closed Session

Tuesday, September 28, 2021

6:00 P.M.

City Hall - Executive Conference Room



### City Council

Acquanetta Warren, Mayor

Phillip W. Cothran, Mayor Pro Tam

John Roberts, Council Member

Jesse "Jesus" Sandoval, Council Member

Peter Garcia, Council Member



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

**File #:** 21-693

**Agenda #:**

**Agenda Date:** 9/28/2021

**Category:** Proclamation

#### Proclamation

### Community Planning Month

Tuesday, September 28, 2021

Council Chambers



### City Council

Acquanetta Warren, Mayor

Phillip W. Cothran, Mayor Pro Tam

John Roberts, Council Member

Jesse "Jesus" Sandoval, Council Member

Peter Garcia, Council Member

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**File #:** 21-693

**Agenda #:**

**Agenda Date:** 9/28/2021

**Category:** Proclamation

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# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

**File #:** 21-892

**Agenda #:**

**Agenda Date:** 9/28/2021

**Category:** Special Presentation

### Special Presentations

Tuesday, September 28, 2021

Council Chambers



### City Council

Acquanetta Warren, Mayor

Phillip W. Cothran, Mayor Pro Tem

John Roberts, Council Member

Jesse "Jesus" Sandoval, Council Member

Peter Garcia, Council Member

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**File #:** 21-892

**Agenda #:**

**Agenda Date:** 9/28/2021

**Category:** Special Presentation

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# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-907

**Agenda #:** A.

**Agenda Date:** 9/28/2021

**Category:** Consent Calendar

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**FROM:**

City Clerk

**SUBJECT:**

Approval of Minutes

**RECOMMENDATION:**

Approve the minutes of the September 14, 2021, City Council Meeting.

**COUNCIL GOALS:**

- To create a team by working together to provide stability and consistent policy direction.
- To create a team by communicating Goals and Objectives to all sectors of the community.

**DISCUSSION:**

The City Council will consider approval of the minutes of the September 14, 2021, 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 14, 2021**

**7:00 PM**

**Grover W. Taylor Council Chambers**

## **City Council Meeting**

*Acquanetta Warren - Mayor*  
*Phillip W. Cothran - Mayor Pro Tem*  
*John B. Roberts - Council Member*  
*Jesus "Jesse" Sandoval - Council Member*  
*Peter A. Garcia - Council Member*  
*Tonia Lewis - City Clerk*  
*Janet Koehler-Brooks - City Treasurer*

## **WORKSHOP:**

### **A. 5:00 P.M. Joint City Council and Planning Commission Workshop**

The Joint City Council and Planning Commission Workshop on Tuesday, September 14, 2021, convened at 5:00 p.m. in the Grover W. Taylor Council Chambers located at 8353 Sierra Avenue, Fontana, California. Mayor Warren called the meeting to order at 5:00 p.m. with all members of the City Council present. Planning Commission Vice-Chair Sangha, Commissioners Gordon and Thrasher were also in attendance. Chair Fort and Secretary Sanchez were absent.

City Treasurer Koehler-Brooks was also in attendance.

The City Council Regular meeting agenda was reviewed and Council Member Sandoval stated for the record that Consent Calendar Item 'B', he will be voting 'No'. No item was pulled from the agenda.

City Manager comments were heard.

There were no public communications received.

Deputy City Manager Burum introduced Ramboll representatives, Dr. Lakshmi Jayaram, Joseph Hower, and Dr. Julia Lester, to provide a thorough presentation and overview of the City of Fontana's current air quality statistics.

Following this presentation, City Manager Burum provided a brief review of staff recommendations for further implementation and regulations to exceed Federal and State requirements for Warehouse Developments.

There were no comments on the presentation from the Planning Commissioners.

Council Member Garcia thanked staff for taking the time to make this presentation a priority and thanked the presenters for their knowledge on the current issue at hand.

Mayor Warren thanked staff and the presenters.

The workshop adjourned at 6:00 p.m.

## **CLOSED SESSION:**

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

A Closed Session was held in the City Hall Executive Conference Room at 6:00 p.m. with Mayor Warren, Mayor Pro Tem Cothran, Council Members Garcia, Roberts, and Sandoval present.

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

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

There were no public communications received on the following closed session items:

**CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (a)**

Case: Misty Solberg vs. City of Fontana Workers' Compensation (Compromise and Release)

Claim Number: 08100003

**CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO GOVERNMENT CODE SECTION 54957.6**

City Negotiator: Mark Denny, City Manager and Rakesha Thomas, Director of Human Resources and Risk Management

Employee Organization(s): Teamsters Local 1932 City Hall Bargaining Unit; Teamsters Local 1932 Yard Bargaining Unit; Police Management Association; Police Benefits Association; and Management/Confidential Employees

**CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

Sierra Club v. City of Fontana, et al. San Bernardino Superior Court Case No. CIVSB2121605; and

People of the State of California v. City of Fontana, et al. San Bernardino Superior Court Case No. CIVSB2121829

**PUBLIC EMPLOYEE APPOINTMENT pursuant to Government Code section 54957:**

Interim City Manager

**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. Mayor Warren called the meeting to order at 7:11 p.m.

**ROLL CALL:**

Present: Mayor Warren, Mayor Pro Tem Cothran, Council Members Garcia, Roberts, and Sandoval. City Treasurer Koehler-Brooks was also present.

Absent: None.

**INVOCATION/PLEDGE OF ALLEGIANCE:**

**A. Fontana Police Department Chaplain Valerie Torres/ Pledge of Allegiance**

Following the invocation by Fontana Police Chaplain Valerie Torres, the Pledge of Allegiance was led by Council Member Garcia.

**PROCLAMATION:**

A. Mayor Warren and City Council to Proclaim September as National Preparedness Month (Emergency Services Officer Aminah Mears to present).

The Mayor and City Council proclaimed September 2021 as National Preparedness Month with the assistance of Emergency Officer Aminah Mears.

B. Mayor Warren and City Council to Proclaim September 28, 2021 as National Voter Registration Day (Deputy City Clerk Ashton Gout to present).

They Mayor and City Council proclaimed September 28, 2021, as National Voter Registration Day with the assistance of Deputy City Clerk Ashton R. Gout, CMC.

### **SPECIAL PRESENTATIONS:**

Mayor Warren and City Council to recognize Officer Ryan Windell and Records Specialist Ruby Landin as the Police Department's July 2021 Employees of the Month (Captain Stover and Captain Burton to present).

They Mayor and City Council assisted Captain Stover in recognizing Officer Windell and Records Specialist Landin as the Police Department's July 2021 Employees of the Month.

### **PUBLIC COMMUNICATIONS:**

#### **A. Public Communications**

The following individuals spoke under Public Communications:

Ben commented on public meetings; mentioned the Nature Center maintenance; spoke on Safe School routes; commented on warehouse development; brought up concerns regarding the homeless; and commented on recent officer involved shootings.

Lynda Dykes commented on recent attendance of a Planning Commission meeting voicing concerns of warehouse development near her residence due to her property housing a horse, leading to the passing of her horse; recognized Code Enforcement Officers who assisted her case for their compassion.

Daniel Vasquez thanked those who serve the community during these tough times and announced upcoming events being hosted by their faith based organization.

Octavio Martinez spoke on behalf of a coalition to support all jobs associated with the recycling industry.

### **CONSENT CALENDAR:**

**ACTION: Motion was made by Mayor Pro Tem Cothran, seconded by Council Member Roberts, and passed unanimously by a vote of 5-0 to adopt Consent Calendar Items**

**'A-Q'. The motion carried by the following vote:**

- A. Approval of Minutes [21-822](#)  
Approve the minutes of the July 27, 2021 Regular City Council Meeting, July 28, 2021 and August 26, 2021 Special City Council Meetings.
- B. Adoption of Ordinance No.1873 [21-823](#)

**ACTION: Motion was made by Mayor Pro Tem Cothran, seconded by Council Member Roberts, and passed by a vote of 4-1 to adopt Ordinance No. 1873. The motion carried by the following vote: (AYES: Warren, Cothran, Garcia, and Roberts; NOES: Sandoval; ABSTAIN: None)**

**Second Reading/Adopt Ordinance No. 1873, an Ordinance of the City Council of the City of Fontana, approving Specific Plan Amendment No. 21-004, to amend development standards within Planning Area 6 of the Ventana Specific Plan that include modifications to site layout, increased building height, monumentation unit size, and parking standards within the 11.6 acre site.**

- C. Adoption of Ordinance No.1874 [21-824](#)  
Second Reading/Adopt **Ordinance No. 1874**, an Ordinance of the City Council of the City of Fontana, approving an amendment to Chapter 30 (Zoning and Development Code) of the Fontana Municipal Code to include flexibility in the application of the Zoning and Development Code standards in order to remove housing constraints for individuals with disabilities.
- D. Accept Donations for the National Night Out Event [21-865](#)  
Accept monetary and gift donations from multiple donors for the 2021 National Night Out Event with a total value of \$2,900.00 and cash amount in \$600.00.
- E. Approval of Final Map for Tract No. 20224 [21-815](#)  
Approve the Final Map for Tract No. 20224 located north of Duncan Canyon Road and east of Citrus Avenue; accept as public dedicated streets and easements; and authorize the City Manager to enter into a Subdivision Agreement with the subdivider.
- F. Final Acceptance of Landscape Improvements along the East side of Sierra Avenue from Terra Vista Drive to Segovia Lane (Sierra Crest) Project [21-778](#)  
Accept as Complete the Work Performed by Kasa Construction, Inc. for the Construction of the Landscape Improvements along the east side of Sierra Avenue from Terra Vista Drive to Segovia Lane (Sierra Crest) Project and approve the final construction amount of \$617,150.49. (SB-99-DE-20)
- G. Final Acceptance of the Redwood Avenue Sewer Project [21-821](#)  
1. Accept as complete the work performed by Kana Pipeline for the construction of the Redwood Sewer Project.



2. Adopt **Resolution No. 2021-093**, accepting the sewer in Redwood Avenue from Washington Avenue to Slover Avenue as part of the City's Sewer System.
- H. Approve Amendment No. 1 to a Professional Services Agreement [21-793](#)  
for the Foothill Boulevard from Hemlock Avenue to Almeria Avenue  
Street Improvement (Malaga Bridge) Project
1. Approve and authorize the City Manager to execute Amendment No. 1 to a Professional Services Agreement with T.Y. Lin International for Engineering Services for the Foothill Boulevard from Hemlock Avenue to Almeria Avenue Street Improvement (Malaga Bridge) Project (SQ-04-DE-19) in the amount of \$129,375.00 for a total contract amount of \$1,847,198.00.
2. Appropriate \$88,270.00 from Measure I Arterial Program Fund No. 245 with the required match of \$41,730.00 from Circulation Mitigation Fund No. 630.
- I. Approve a Resolution Adjusting the Development Impact Fees [21-799](#)  
Approve **Resolution No. 2021-094**, Adjusting the Development Impact Fees
- J. Approve Amendment No. 2 to the Common Use Agreement for the [21-813](#)  
Monarch Hills Project
- Approve and authorize the City Manager to execute Amendment No. 2 to the Common Use Agreement (CUA) 03-299 with San Bernardino County Flood Control District for the Monarch Hills Project.
- K. Approve the Measure I Five Year Local Street Capital Project [21-855](#)  
Needs Analysis for Fiscal Years 2022/2023 - 2026/2027
- Adopt **Resolution No. 2021-095**, adopting the Measure I Five Year Local Street Capital Project Needs Analysis (CPNA) for Fiscal Years 2022/2023 - 2026/2027.
- L. Authorize the purchase of a Haaker Equipment H.D. Industries [21-826](#)  
Pro-Patch TCM-500-100-DHER
- Authorize the Purchasing Office to "Piggy-Back" on the Houston-Galveston Area Council (H-GAC) purchasing program (Contract No.SM 10-20) for the purchase of one (1) new H.D. Industries TCM-500-100-DER Patch Truck.
- M. [21-862](#)  
Award of contract to Safeway Sign Company and Main Street Signs & Supplies for the purchase of various signs and supplies. The term shall be for two (2) years with three (3) one-year extensions at the City's sole discretion.
- N. Award a Construction Contract for the Foothill Boulevard at Alder [21-853](#)  
Avenue Curb Ramp Project
1. Award and authorize the City Manager to execute a construction contract with Gentry General Engineering, Inc. for the construction of the Foothill Boulevard at Alder Avenue Curb Ramp Project in the amount of \$233,440.68 and authorize a 10% contingency in the amount of \$23,344.07 (Bid No. SB-01-DE-22).
2. Approve and authorize the City Manager to execute any and all utility agreements, utility easements, and subsequent agreements on behalf of the City of Fontana for the Foothill Boulevard at Alder Avenue Curb Ramp Project.

3. Appropriate \$230,000.00 from Local Measure I Fund No. 246 to the Foothill Boulevard at Alder Avenue Curb Ramp Project No. 3370.
- O. Department of Alcoholic Beverage Control (ABC) 21-22 Multi - [21-734](#)  
Program Mini Grant
  1. Approve an ABC Grant in the amount of \$26,545 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 \$26,545; and
  3. Approve the expenditure plan for the use of the funds to help offset the cost of Personnel within the Police Department.
  4. Increase expenditures and revenues in the amount of \$26,545 in the Grant Fund #301 - ABC Grant Budget Unit #30140340.
- P. Resolution of Intent to form Community Facilities District No. 107 [21-854](#)  
(Highland)
  1. Adopt **Resolution No. 2021-096** of the City Council of the City of Fontana of Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes.
  2. Adopt **Resolution No. 2021-097** of the City Council of the City of Fontana to Incur Bonded Indebtedness of the Proposed City of Fontana Community Facilities District No. 107 (Highland).
- Q. 2021 Police Department Donations [21-733](#)  
Accept monetary and gift donations from multiple donors including community programs, businesses, and citizens.

**Approve Consent Calendar Item as recommended by staff.**

## **PUBLIC HEARINGS:**

To speak on Public Hearing Items, submit comments via e-mail at [publiccomments@fontana.org](mailto:publiccomments@fontana.org). 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.

- A. **Fontana Hyundai - Operating Covenant Agreement** [21-846](#)

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

1. Approve Resolution No. 2021-098 of the City Council of the City of Fontana, California, accepting the economic development subsidy report prepared pursuant to government code section 53083 regarding an operating covenant agreement by and between the City of Fontana and Fontana Automotive Services East, Inc.

2. Approve the operating covenant agreement between the City of Fontana and Fontana Automotive Service East, Inc.

3. Authorize the City Manager to execute any documents necessary or appropriate to effectuate said approvals and/or agreements.

- B. Consolidated Annual Performance Evaluation Report (CAPER) [21-867](#)

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

1. Conduct a public hearing for the Consolidated Annual Performance and Evaluation Report (CAPER) 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 2020-2021; and

2. Authorize the City Manager to execute any documents necessary to submit the CAPER, along with any comments received during the public hearing and public comment period, to the Department of Housing & Urban Development.

## **CITY MANAGER COMMUNICATIONS:**

- A. City Manager Communications

Prior to City Manager Denny's comments, Mayor Warren announced the recent resignation of City Manager Denny, stating that his last day with the City of Fontana is October 15, 2021. Mayor Warren spoke on behalf of the entire City Council when she stated that it has been a pleasure to work with City Manager Denny and thanked him for all his service to community.

City Manager Denny thanked the Mayor and City Council for the opportunity to serve them and the Fontana community.

There were no additional comments received.

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

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

City Treasurer Koehler-Brooks had no comments.

Council Member Garcia commented on his recent attendance at the 9-11 ceremony hosted by the City; and requested the public to send prayers and positive thoughts to the Sanchez family.

Mayor Pro Tem Cothran reminded the public to get out and vote before the closing of polling locations at 8:00 P.M.; commented on recent attendance at the 9-11 ceremony hosted by the City; and requested the public to send prayers and positive thoughts to the Sanchez family.

Council Member Sandoval suggested that staff review the possible integration of splash pads at City parks for the youth; and spoke on the recent passing of Commissioner McGinnis, his aunt Eleanor and the loss of the 13 Service Members in Kabul.

Council Member Roberts thanked the entire Community Services staff for the recent 9-11 event; reminded the public to get out and vote before the closing of the polling locations at 8:00 p.m.; and closed in honor of the recent passing of Commissioner McGinnis.

Mayor Warren spoke on recent attendance of the 9-11 ceremony hosted by the City; commented on upcoming community events; spoke on recent tour of Malaga Bridge with Representative Norma Torres and Chairman of the House Transportation, Housing and Urban Development Appropriations Sub Committee.

## **ADJOURNMENT:**

### **A. Adjournment**

Prior to the adjournment, a moment of silence was held for the recent passing of Michael McGinnis, Eleanor Sandoval and the 13 Service Members killed in Kabul.

City staff played a short video in memory of Parks, Community and Human Services Commissioner Michael McGinnis.

The meeting adjourned at 8:13 p.m. in memory of Parks, Community and Human Services Commissioner Michael McGinnis; Eleanor Sandoval, Aunt of Council Member Sandoval; and the 13 Service Members killed in Kabul, Afghanistan, to the 2021 League of California Cities Annual Conference in Sacramento, California from September 22-24, 2021, then to the next Regular City Council Meeting on Tuesday, September 28, 2021, 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

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**File #:** 21-894

**Agenda #:** B.

**Agenda Date:** 9/28/2021

**Category:** Consent Calendar

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**FROM:**

Police Department

**SUBJECT:**

Approve Crossing Guard Service Agreement between Fontana Unified School District, Etiwanda School District, and the City of Fontana

**RECOMMENDATION:**

1. Approve the Crossing Guard Services Agreement with Fontana Unified School District (FUSD), Etiwanda School District (ESD), and the City of Fontana (COF) for a one-year (1) term and up to a maximum of five (5) additional one-year terms. The contract rate is \$23.31 per hour for the first term of the contract;

2. Approve a recurring appropriation from General Fund #101 to 10140352.8130 to provide for the annual contract increase over the prior year in the amount of \$30,420.00.

**COUNCIL GOALS:**

- To improve public safety by increasing operational efficiency, visibility, and availability.
- To improve public safety by emphasizing community-oriented policing and community involvement.

**DISCUSSION:**

Fontana Unified School District administers the crossing guard services for both the City of Fontana and the Etiwanda School District. The contract provider for these services via Fontana Unified School District is All City Management Services who employs and provides the school crossing guards.

Fontana Unified School District submits invoices to the City and ESD on a quarterly basis for the services rendered in the preceding quarter. Current pricing is based upon 39,420 billing hours per school year which includes covering 73 locations between the 2 school districts. The new contract price for year four is \$918,881.00. Per the contract the City agrees to pay fifty percent (50% not to exceed \$ 459,440.50) of the cost.

The Police Department currently has a budget of \$ 457,830 in the 2021-2022 fiscal year budget for crossing guard services. In addition to the contract with FUSD and ESD the city also contracts with Colton Unified School District and Rialto Unified School District for crossing guard services. CUSD (\$25,812) and RUSD (not to exceed \$3,000) services are for schools that are located within the City of Fontana limits. Additional funding will be requested to cover the 50% city portion to provide for

crossing guard services within the City of Fontana.

Staff recommends accepting the contract so the school districts can continue to provide crossing guard services to the children in our community that attend FUSD and ESD schools.

**FISCAL IMPACT:**

Staff is requesting annual recurring funds in the amount of \$30,420.00 be appropriated from General Fund #101 to 10140352.8130 to cover additional crossing guard services. Appropriate paperwork will be submitted during the First Quarter Budget Review

**MOTION:**

Approve staff recommendation

CROSSING GUARD SERVICES AGREEMENT  
BY AND BETWEEN  
THE CITY OF FONTANA,  
THEN FONTANA UNIFIED SCHOOL DISTRICT  
AND  
THE ETIWANDA SCHOOL DISTRICT  
FOR SERVICES PROVIDED BY  
ALL CITY MANAGEMENT SERVICES



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## SCHOOL CROSSING GUARD SERVICES AGREEMENT

THIS AGREEMENT (hereinafter the “Agreement”) is made this 1<sup>st</sup> day of August, 2021 by and between the CITY OF FONTANA, a municipal corporation (“City”), the FONTANA UNIFIED SCHOOL DISTRICT (“FUSD”), the ETIWANDA SCHOOL DISTRICT (“Etiwanda”), and ALL CITY MANAGEMENT SERVICES, INC., (“ACMS”). City, FUSD, Etiwanda, and ACMS are sometimes hereinafter individually referred to as “Party” and sometimes hereinafter collectively referred to as the “Parties.”

### RECITALS

Beginning August 1, 2021, City and Etiwanda desire to engage FUSD to perform and continue responsibility and obligations for school crossing guard services provided to FUSD and Etiwanda students on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, City, FUSD and Etiwanda agree as follows:

#### **1. Term and Effective Date**

- A. Term: The term of this Agreement shall commence on the Effective Date and shall terminate on June 30, 2022 (“Initial Term”). The Parties may mutually agree to extend this Agreement for additional one (1) year terms (an “Additional Term”), up to a maximum of five (5) Terms. The Parties must give each other written notice of intent to extend this Agreement for an Additional Term at least thirty (30) days prior to the conclusion of the Initial Term and each Additional Term, as applicable.
- B. Effective Date: This agreement shall only become effective and enforceable upon the date that this Agreement has been approved and executed by the last of the governing bodies of the Parties to execute this Agreement. Such date shall be the Effective Date.

#### **2. Engagement of FUSD**

City and Etiwanda hereby engage FUSD, subject to the terms and conditions set forth in this Agreement, to perform the services set forth in Exhibit A (the “Services”) beginning August 1, 2021. FUSD agrees to perform the Services in accordance with the terms and conditions of this Agreement.

#### **3. Performance by FUSD; Standard of Care**

FUSD covenants with City and Etiwanda to furnish its best skill, judgement and efforts and to cooperate with City and Etiwanda in the performance of the Services under the specific contract management supplied by the “All City Management Services, Inc.”

FUSD represents and warrants that it and all personnel engaged in performing the Services are and shall be fully qualified and are authorized or permitted under state and local law to perform such Services. FUSD shall perform the Services in a skillful and competent manner. FUSD shall be responsible to City and Etiwanda for any errors or omissions in the execution of its duties under this Agreement and in the performance of its duties hereunder. FUSD represents and warrants that it and all personnel engaged in performing the Services have all licenses, permits, qualifications, and approvals of whatever nature that are legally required to provide the Services and that all personnel performing the Services are certified in providing First Aid and CPR. FUSD further represents and warrants that it and its personnel shall keep in effect all such certifications, licenses, permits, and other approvals during the term of this agreement.

#### **4. FUSD's Responsibilities for Costs and Expenses**

FUSD shall be responsible for all costs and expenses incurred by ACMS as listed in the separate service agreement relative to FUSD and its personnel in connection with the performance of the Services, including, without limitation, payment of salaries, benefits contributions, payroll taxes, withholding taxes and other taxes or levies, workers' compensation premiums, furnishing of equipment and office overhead expenses.

#### **5. Personnel**

FUSD agrees that the Services shall be performed by persons employed and supervised by ACMS. ACMS represents that it shall employ trained and qualified school crossing guards to perform the Services within FUSD's jurisdiction at the posts identified in Exhibit A and employ trained and qualified school crossing guards to perform the services within Etiwanda's jurisdiction at the posts identified in Exhibit A.

The Parties agree and understand that City and Etiwanda both retain FUSD as an independent contractor. FUSD shall not be deemed an employee of the City or Etiwanda. ACMS's personnel performing the services shall also not be deemed in any way to be agents or employees of City or Etiwanda but shall instead be solely agents and employees of ACMS. ACMS's personnel performing the Services shall at all times be under ACMS's exclusive direction and control. ACMS shall pay all expenses including, but not limited to salaries, fringe benefit contributions, payroll taxes, withholding taxes and other taxes or levies, workers' compensation and all other amounts due such personnel or due others as result of the performance by such personnel of the services as outlined in the separate agreement between FUSD and ACMS.

#### **6. School Crossing Guard Project Administration**

ACMS shall administer the services, supervise the personnel performing the services and work closely and cooperate fully with the City's and Etiwanda's designed Project Managers (the "Project Coordinator"). City and Etiwanda shall compensate FUSD for employing the Project Administrator as set forth in Section 10; provided, however, that the compensation ratios pertaining to FUSD's employment of the Project Administrator set forth in Section 10 shall be

amended to reflect the addition of any new school crossing guard post approved by the City and Etiwanda pursuant to Section 12 of this Agreement.

## **7. Project Managers**

City and Etiwanda shall designate and assign a project manager ("Project Manager"), who shall be available to FUSD at all reasonable times to discuss the performance of the Services or the administration of this agreement. The Project Manager shall not have the authority to authorize extra work or extra compensation under this agreement.

## **8. Progress Reports**

FUSD shall keep City and Etiwanda's Project Managers, or their duly authorized designees informed on a regular basis of the status and progress of the Services, activities performed and planned, and meetings that have been scheduled or are desired relative to the Services or relative to this agreement.

## **9. Equipment**

ACMS possesses the following school crossing guard equipment which they shall issue to school crossing guard personnel (collectively the "Equipment"):

- Reflective Vest
- Stop Signs
- Rain Ponchos
- Caps

## **10. Compensation**

- a. In consideration of FUSD's performance of the Services, City and Etiwanda agree to compensate FUSD.
- b. City shall pay FUSD on a quarterly basis the sum of the following:
  - i. Fifty percent (50%) of the quarterly costs of providing school crossing guards at the posts within FUSD's jurisdiction as identified in Exhibit A; plus
  - ii. Fifty percent (50%) of the quarterly costs of providing school crossing guards at the posts within Etiwanda's jurisdiction as identified in Exhibit A.
- c. Etiwanda shall pay FUSD on a quarterly basis the sum of the following:
  - i. Fifty percent (50%) of the quarterly costs of providing school crossing guards at the posts within Etiwanda's jurisdiction as identified in Exhibit A.

- d. FUSD shall submit invoices to City and Etiwanda on a quarterly basis for the services rendered each month in the preceding quarter. FUSD's invoices shall clearly set forth the costs for the services provided each month of the preceding quarter. FUSD's invoices shall be sent to City and Etiwanda as follows:
  - (1) On or before December 10 for the services provided in August, September and October.
  - (2) On or before March 10 for the services provided in November, December and January.
  - (3) On or before June 10 for the services provided in February, March and April.
  - (4) On or before September 10 for the services provided in May, June and July.
- e. City and Etiwanda shall promptly review the invoices and notify FUSD in writing of any objections thereto. Absent FUSD's receipt of a written objection within the (10) days of receipt of the invoices by City and Etiwanda, the invoices shall be deemed proper and acceptable. City and Etiwanda shall deposit with FUSD a sum equal to the amount due under the invoice, within thirty (30) days after receiving the invoices.
- f. City and Etiwanda may withhold payment of any portion of the compensation if payment is disputed until resolution of the dispute with FUSD. Such withholding by City or Etiwanda shall not be deemed to constitute a failure to pay. FUSD shall not discontinue the performance of the Services for a period of thirty (30) days from the date compensation is withheld hereunder. FUSD shall have an immediate right to appeal to the City Council of the City or the Etiwanda Board of Education (the "Board") with respect to withheld amounts. The determination of the city Council or the Board with respect to such matters shall be final. FUSD shall be entitled to receive interest on any portions of the compensation withheld which are thereafter deemed to be properly payable to FUSD at the rate of seven percent (7%) per annum, simple interest.

## **11. Extra Work**

FUSD shall not receive additional compensation for any extra work provided to City or Etiwanda, unless such extra work has been authorized in writing by the City's Project Manager prior to the commencement of the extra work. Extra work shall mean any work not described in Exhibit A as the Services to be provided under this Agreement.

## **12. Additional School Crossing Guards**

FUSD shall obtain written approval from both City and Etiwanda prior to adding additional school crossing guard posts in Etiwanda's jurisdiction that are not identified in Exhibit A. FUSD shall obtain written approval from City prior to adding additional school crossing guard posts in FUSD's jurisdiction that are not identified in Exhibit A. FUSD shall not be compensated for any school crossing guard hired to provide the Services at posts not identified in Exhibit A, unless the hiring of additional school crossing guards to provide the Services at new posts has been authorized in writing as provided in this section. This section is not, however, intended to prevent FUSD from hiring new school crossing guards to fill a vacancy in a school crossing guard post or the hiring of alternate school crossing guards to serve at a post when the school crossing guard assigned to such post is unavailable.

If FUSD or Etiwanda determines that additional school crossing guards are needed to provide the services within their jurisdictions, they shall submit a written request to the City that the City's Traffic Engineer conduct an investigation of whether additional school crossing guard posts are warranted in accordance with California's applicable statutes and regulations. The Traffic Engineer's determination of whether an investigation is necessary and whether additional school crossing guard posts are warranted within City's boundaries shall be final.

If additional school crossing guard posts are approved in accordance with this section, the compensation ratios set forth in Section 10 shall be amended to reflect the addition of any new school crossing guard post approved by City and Etiwanda pursuant to this section.

## **13. Special Services**

FUSD agrees to provide crossing guard services to City in connection with City sponsored or City promoted events ("Special Services"). City shall request such special services in writing at least fourteen (14) days in advance of the date the Special Services are needed. City's written request shall be made by City's Project Manager.

In consideration for providing Special Services, City shall compensate FUSD. FUSD shall charge the City an hourly rate for each crossing guard providing the Special Services. The hourly rates charged shall not exceed the hourly rates ACMS pays its crossing guards for providing their usual school crossing guard duties.

FUSD shall submit an invoice to City within three (3) days following the date the Special Services are provided. City shall pay FUSD within thirty (30) days of receiving FUSD's invoice, provided that City may withhold payment under the same circumstances as provided in subsection (f) of Section 10 of this agreement.

## **14. Insurance**

Prior to the commencement of the services, FUSD shall provide to City and Etiwanda written proof satisfactory to City and Etiwanda that ACMS is fully insured for purposes of covering, without

limitation, liability claims under workers' compensation, third party liability risks, contractual liability, bodily injury, personal injury and property damage liability.

#### **15. Liability**

The parties hereto agree to share equally in one-third shares and to be held jointly liable for any damages, losses or settlement payments, occasioned by or resulting from any action, claim, demand or lawsuit to persons or property arising out of or in connection with FUSD's provision of the Services within Etiwanda's jurisdiction, provided that such action, claim, demand or lawsuit is not the result of FUSD's or its officer's, employee's or agent's sole gross negligence or willful misconduct.

If any action, claim, demand or lawsuit results from FUSD's or its officer's, employee's or agent's gross negligence or willful misconduct, FUSD shall be solely liable for any damages, losses or settlement payments occasioned or resulting from any action, claim, demand or lawsuit based upon FUSD's sole active negligence or willful misconduct and FUSD shall, indemnify, defend and hold City and Etiwanda harmless from any damages, including attorney's fees, court costs or settlements, losses or liability whatsoever arising from FUSD's or its officer's, employee's, or agent's sole active negligence or willful misconduct in connection with the provision of the services.

#### **16. Prohibition Against Transfers**

FUSD shall not assign, sublease, hypothecate, or transfer this agreement, or any interest therein, directly, or indirectly by operation of law without the prior written consent of City and Etiwanda. Any attempt to do so without the prior written consent of City and Etiwanda shall be null and void, and any assignee, sublessee, hypothecate or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation, or transfer.

#### **17. Resulting Services**

City and Etiwanda agree that they shall have no right to control or direct the details, manner or means by which FUSD accomplishes the results of the Services performed hereunder so long as FUSD is performing the Services in accordance with the terms and conditions of this agreement.

#### **18. Termination**

If any Party fails to perform any duties or obligations imposed on it by this agreement and said failure continues for thirty (30) days following written notification of such failure shall be deemed a material breach of this agreement and may be terminated immediately thereafter.

Any Party at any time may terminate this agreement without reason or cause upon giving ninety (90) days prior written notice to each of the other Parties of such intent to terminate. Termination of this agreement shall become effective on the 90<sup>th</sup> day following the parties' receipt of intent to terminate under this section.



## 19. General Provisions

### A. Nondiscrimination by ACMS

ACMS represents and agrees that ACMS does not and will not discriminate against any employee, or applicant for race, religion, color, sex, disabling conditions, national origin. Such nondiscrimination shall include, but not be limited to, the following: employment, recruitment, advertising, layoff, termination, and rates of pay or other forms of compensation. Under the joint agreement, ACMS further represents that its personnel while providing the Services will not discriminate against any student or person because of race, religion, color, sex, disabling conditions or national origin.

### B. Subcontractor

FUSD shall subcontract all of the Services to ACMS. By this agreement, City and Etiwanda approve of the subcontractor ACMS. ACMS contract shall contain provision making them subject to all terms and conditions of this Agreement.

### C. Waiver

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

### D. Notices

All notices required hereunder shall be given in writing to the following addresses or such other addresses as the parties may designate by written notice:

To City: Fontana Police Department  
17005 Upland Avenue  
Fontana, CA 92335

To Etiwanda: Etiwanda School District  
6061 East Avenue  
Etiwanda, CA 91739

To FUSD: Fontana Unified School District  
9680 Citrus Avenue  
Fontana, CA 92335

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Notice shall be deemed received as follows, depending upon the method of transmittal: by facsimile, as of the date and time sent; by messenger, as of the date

delivered; and by U.S. mail, certified, return receipt requested, as of 72 hours after deposit in the U.S. mail.

E. Authority to Enter Agreement

Each party warrants that the individuals who have signed this agreement have the legal power, right and authority to enter into this agreement so as to bind each respective party for who they sign to perform as provided herein.

F. Severability

If any portion of this agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this agreement shall continue in full force and effect.

G. Time is of the Essence

Time is of the essence in this agreement, and all parties agree to execute all documents and to proceed with due diligence to complete all covenants and conditions set forth herein. .

H. Governing Law and Venue

This agreement shall be construed in accordance with and governed by the laws of the State of California. Any lawsuit brought to enforce this agreement shall be brought in the appropriate court in San Bernardino County, State of California.

I. Waiver

No waiver of any provision of this agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be deemed a waiver and no waiver shall be binding unless executed in writing by the party making the waiver.

J. Days

Any terms in this agreement referencing time, days, or period for performance shall be deemed to be calendar days and not workdays.

K. Entire Agreement

This agreement contains the entire agreement of City, Etiwanda and FUSD and supersedes any prior or written statements of agreements between City, Etiwanda and FUSD. No supplement, modification or amendment of this agreement shall be binding unless executed in writing by each of the parties.

L. Binding on Assigns

Each and all the covenants and conditions of this agreement shall be binding on and shall inure to the benefit of the successors and assigns of the respective parties.

M. Counterparts

This agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

N. Section Headings

All section headings are for the convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this agreement or of any part of parts of this agreement.

O. Construction

In all cases, the language in all parts of this agreement shall be construed simply, according to its fair meaning and not strictly for or against any party, it being agreed that the parties or their agents have all participated in the preparation of this agreement.

P. Cooperation/Further Acts

The parties shall fully cooperate with one another in attaining the purposes of this agreement and, in connection therewith, shall take any such additional further acts and steps and sign any such additional documents as may be necessary, appropriate and convenient as related thereto.

Q. Incorporation of Recitals and Exhibits

a. The “Recitals” constitute a material part hereof and are hereby incorporated by reference herein as though fully set forth hereat.

b. The “Exhibits” constitute a material part hereof and are hereby incorporated by reference herein as though fully set forth hereat.

IN WITNESS WHEREOF, the parties hereto have accepted and made and executed this Agreement upon the terms, conditions, provisions set forth above as of the Effective Date.

CITY OF FONTANA  
A municipal corporation

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Mark Denny, City Manager

FONTANA UNIFIED SCHOOL DISTRICT




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Ryan DiGiulio  
Associate Superintendent, Business Services

BC  
8/20/21

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William Green, Chief of Police  
Fontana Police Department

ETIWANDA SCHOOL DISTRICT

---

Mondi M. Taylor, President  
Board of Education

---

Shawn Judson, Ed. D.  
Superintendent

## EXHIBIT A

## Client Matrix



ALL CITY MANAGEMENT SERVICES

CADLE, MARSHA L CARRANZA, CLAUDIA Ph: (909) 767-5412 1009802 Fontana USD - South

		MON	TUE	WED	THU	FRI
1	Almond Ave/Ivy (NE) Almond Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					
2	Beech/Pine (SW) Beech Avenue Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					
3	Beech/Randall (NW) Beech Avenue Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					
4	Amberwood/Canyon Crest (SW) Canyon Crest Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					
5	Catawba/Randall (SE) Citrus Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					
6	Citrus/Randall (SE) Citrus Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					
7	Fontana/Randall Stand (on Island) Citrus Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					



## ALL CITY MANAGEMENT SERVICES

CADLE, MARSHA L

CARRANZA, CLAUDIA

Ph: (909) 767-5412

1009802 Fontana USD - South

## Client Matrix

		MON	TUE	WED	THU	FRI
8	Cypress/Tullock (NW) Cypress Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					
	Reg 3 Other					
9	Cypress/San Bernardino (NW) Cypress Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					
	Reg 3 Other					
10	San Bernardino/Juniper (SE) Cypress Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					
	Reg 3 Other					
11	Athol/Oleander (SW) Date Elem	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 12:05 PM - 12:50 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM
	Fontana USD					
	Reg 3 Other					
12	Merrill/Fontana (NW) Date Elem	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 12:05 PM - 12:50 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM
	Fontana USD					
	Reg 3 Other					
13.1	Merrill/Oleander (SE) Date Elem	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 12:05 PM - 12:50 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM
	Fontana USD					
	Reg 3 Other					
13.2	Merrill/Oleander (NE) Date Elem	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 12:05 PM - 12:50 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM
	Fontana USD					
	Reg 3 Other					

## Client Matrix



ALL CITY MANAGEMENT SERVICES

CADLE, MARSHA L      CARRANZA, CLAUDIA      Ph: (909) 767-5412      1009802      Fontana USD - South

		MON	TUE	WED	THU	FRI
14	Live Oak/Manzanita (SE) Live Oak Elem	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 12:05 PM - 12:50 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM
	Fontana USD Reg 3      Other					
15	Live Oak/Randall (SW) Live Oak Elem	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 12:05 PM - 12:50 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM
	Fontana USD Reg 3      Other					
16	Live Oak/San Bernardino (NW) Live Oak Elem	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 12:05 PM - 12:50 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM
	Fontana USD Reg 3      Other					
17	Athol/Maple (NW) Maple Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD Reg 3      Other					
18	Maple/Merrill (NW) Maple Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD Reg 3      Other					
19	Live Oak/Olivedale (Same Side As School) Oak Park Elem	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 12:05 PM - 12:50 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM
	Fontana USD Reg 3      Other					
20	Cherry/Live Oak(Signal Light Nearest to School) Oak Park Elem	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 12:05 PM - 12:50 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM
	Fontana USD Reg 3      Other					



## ALL CITY MANAGEMENT SERVICES

CADLE, MARSHA L

CARRANZA, CLAUDIA

Ph: (909) 767-5412

1009802 Fontana USD - South

## Client Matrix

		MON	TUE	WED	THU	FRI
21	Arrow/Oleander (NW) Oleander Elem	7:15 AM - 8:15 AM 1:50 PM - 2:50 PM	7:15 AM - 8:15 AM 1:50 PM - 2:50 PM	7:15 AM - 8:15 AM 11:45 AM - 12:45 PM	7:15 AM - 8:15 AM 1:50 PM - 2:50 PM	7:15 AM - 8:15 AM 1:50 PM - 2:50 PM
	Fontana USD	Reg 3	Other			
22	Oleander/Valencia (SE) Oleander Elem	7:15 AM - 8:15 AM 1:50 PM - 2:50 PM	7:15 AM - 8:15 AM 1:50 PM - 2:50 PM	7:15 AM - 8:15 AM 11:45 AM - 12:45 PM	7:15 AM - 8:15 AM 1:50 PM - 2:50 PM	7:15 AM - 8:15 AM 1:50 PM - 2:50 PM
	Fontana USD	Reg 3	Other			
23	Oleander Ave./Orange Way Oleander Elem	7:15 AM - 8:15 AM 1:50 PM - 2:50 PM	7:15 AM - 8:15 AM 1:50 PM - 2:50 PM	7:15 AM - 8:15 AM 11:45 AM - 12:45 PM	7:15 AM - 8:15 AM 1:50 PM - 2:50 PM	7:15 AM - 8:15 AM 1:50 PM - 2:50 PM
	Fontana USD	Reg 3	Other			
24.1	Palmetto/Randall (NE) Palmetto Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD	Reg 3	Other			
24.2	Palmetto/Randall (SE) Palmetto Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD	Reg 3	Other			
25	Iris/Poplar (NW) Poplar Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD	Reg 3	Other			
26	Arrow/Maple (SW) Porter Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD	Reg 3	Other			



## EXHIBIT A

## Client Matrix



## ALL CITY MANAGEMENT SERVICES

CADLE, MARSHA L CARRANZA, CLAUDIA 1009802 Fontana USD - South

Ph: (909) 767-5412

		MON	TUE	WED	THU	FRI
27	Locust/Owen (SE) Porter Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					
	Reg 3 Other					
28	Pepper/Randall (NE) Pepper (Randall) Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					
	Reg 3 Other					
29	Juniper/Randall (NW) Pepper (Randall) Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					
	Reg 3 Other					
30	Country/Redwood (NE) Redwood Elem	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 12:05 PM - 12:50 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM
	Fontana USD					
	Reg 3 Other					
31	Arrow/Redwood (NW) Redwood Elem	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 12:05 PM - 12:50 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM
	Fontana USD					
	Reg 3 Other					
32	Arrow/S. Tamarind (SW) S Tamarind Elem	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 12:05 PM - 12:50 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM
	Fontana USD					
	Reg 3 Other					
33	Arrow/Tamarind (SE) S Tamarind Elem	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 12:05 PM - 12:50 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM
	Fontana USD					
	Reg 3 Other					

# EXHIBIT A

## Client Matrix



ALL CITY MANAGEMENT SERVICES

CADLE, MARSHA L CARRANZA, CLAUDIA 1009802 Fontana USD - South

Ph: (909) 767-5412

		MON	TUE	WED	THU	FRI
34 Alder/Dorsey (NE) S Tamarind Elem	909.357.5760	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 12:05 PM - 12:50 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM
Fontana USD	Reg 3 Other					
35 Banana/Chaparrel Ave (SW) Shadow Hills Elem	909.357.5750	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
Fontana USD	Reg 3 Other					
36 Elm/Randall (NW) West Randall Elem	909.357.5730	8:00 AM - 9:00 AM 3:05 PM - 3:50 PM	8:00 AM - 9:00 AM 3:05 PM - 3:50 PM	8:00 AM - 9:00 AM 12:35 PM - 1:20 PM	8:00 AM - 9:00 AM 3:05 PM - 3:50 PM	8:00 AM - 9:00 AM 3:05 PM - 3:50 PM
Fontana USD	Reg 3 Other					
37 Lime/Randall (SE) West Randall Elem	909.349.1399	8:00 AM - 9:00 AM 3:05 PM - 3:50 PM	8:00 AM - 9:00 AM 3:05 PM - 3:50 PM	8:00 AM - 9:00 AM 12:35 PM - 1:20 PM	8:00 AM - 9:00 AM 3:05 PM - 3:50 PM	8:00 AM - 9:00 AM 3:05 PM - 3:50 PM
Fontana USD	Reg 3 Other					
	Reg Other					
	Reg Other					
	Reg Other					

# EXHIBIT A

## Client Matrix



ALL CITY MANAGEMENT SERVICES

CADLE, MARSHA L

CARRANZA, CLAUDIA

Ph: (909) 767-5412

1009802

Fontana USD - South

MON	TUE	WED	THU	FRI
Reg Other				
Reg Other				
Reg Other				
Reg Other				
Reg Other				
Reg Other				

EXHIBIT A

Client Matrix



ALL CITY MANAGEMENT SERVICES

CADLE, MARSHA L

CARRANZA, CLAUDIA

Ph: (909) 767-5412

1009802

Fontana USD - South

		MON	TUE	WED	THU	FRI
	Reg					
	Other					
	Reg					
	Other					
	Reg					
	Other					

## Client Matrix



ALL CITY MANAGEMENT SERVICES

JACKSON, MICHELLE

CARRANZA, CLAUDIA

Ph: (909) 202-0829

1009801

Fontana USD - North

		MON	TUE	WED	THU	FRI
1	East Constitution/W. of Peters Mid Blk East Heritage Elem	7:30 AM - 8:30 AM 1:00 PM - 1:45 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM
	Etiwanda SD					
	Reg 3 Other					
2	East Constitution/East of Peters Mid Blk East Heritage Elem	7:30 AM - 8:30 AM 1:00 PM - 1:45 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM
	Etiwanda SD					
	Reg 3 Other					
3	Baseline / Cherry (SE) East Heritage Elem	7:15 AM - 8:15 AM 1:00 PM - 1:45 PM	7:15 AM - 8:15 AM 2:30 PM - 3:15 PM	7:15 AM - 8:15 AM 2:30 PM - 3:15 PM	7:15 AM - 8:15 AM 2:30 PM - 3:15 PM	7:15 AM - 8:15 AM 2:30 PM - 3:15 PM
	Etiwanda SD					
	Reg 3 Other					
4	S.Heritage/E. Grand (SW) Heritage Mid	7:15 AM - 8:15 AM 2:15 PM - 3:00 PM	7:15 AM - 8:15 AM 2:15 PM - 3:00 PM	7:15 AM - 8:15 AM 2:15 PM - 3:00 PM	7:15 AM - 8:15 AM 2:15 PM - 3:00 PM	7:15 AM - 8:15 AM 2:15 PM - 3:00 PM
	Etiwanda SD					
	Reg 3 Other					
5	S.Heritage/W. Grand (SE) Heritage Mid	7:15 AM - 8:15 AM 2:15 PM - 3:00 PM	7:15 AM - 8:15 AM 2:15 PM - 3:00 PM	7:15 AM - 8:15 AM 2:15 PM - 3:00 PM	7:15 AM - 8:15 AM 2:15 PM - 3:00 PM	7:15 AM - 8:15 AM 2:15 PM - 3:00 PM
	Etiwanda SD					
	Reg 3 Other					
6	Bridlepath/Oxer (NW) Long (David W) Elem	7:30 AM - 8:30 AM 1:00 PM - 1:45 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM
	Etiwanda SD					
	Reg 3 Other					
7	Bridlepath/Cherry (SE) Long (David W) Elem	7:30 AM - 8:30 AM 1:00 PM - 1:45 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM
	Etiwanda SD					
	Reg 3 Other					



## ALL CITY MANAGEMENT SERVICES

## Client Matrix

JACKSON, MICHELLE

CARRANZA, CLAUDIA

Ph: (909) 202-0829

1009801 Fontana USD - North

		MON	TUE	WED	THU	FRI
8	Cherry/Fox Ridge (NE) Long (David W) Elem	7:30 AM - 8:30 AM 1:00 PM - 1:45 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM
	Etiwanda SD					
9.1	Beech /Walnut (NE) Solorio (Cecilia Lucero) Elem	7:30 AM - 8:30 AM 1:00 PM - 1:45 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM
	Etiwanda SD					
9.2	Beech /Walnut (NW) Solorio (Cecilia Lucero) Elem	7:30 AM - 8:30 AM 1:00 PM - 1:45 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM
	Etiwanda SD					
10	Hemlock /Walnut (NE) Solorio (Cecilia Lucero) Elem	7:30 AM - 8:30 AM 1:00 PM - 1:45 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM	7:30 AM - 8:30 AM 2:30 PM - 3:15 PM
	Etiwanda SD					
11	W.Constitution Way / E. of Brandon Ct-W exit Gate West Heritage Elem	7:20 AM - 8:20 AM 1:00 PM - 1:45 PM	7:20 AM - 8:20 AM 2:30 PM - 3:15 PM	7:20 AM - 8:20 AM 2:30 PM - 3:15 PM	7:20 AM - 8:20 AM 2:30 PM - 3:15 PM	7:20 AM - 8:20 AM 2:30 PM - 3:15 PM
	Etiwanda SD					
12	Muir/W. Constitution(SW) West Heritage Elem	7:20 AM - 8:20 AM 1:00 PM - 1:45 PM	7:20 AM - 8:20 AM 2:30 PM - 3:15 PM	7:20 AM - 8:20 AM 2:30 PM - 3:15 PM	7:20 AM - 8:20 AM 2:30 PM - 3:15 PM	7:20 AM - 8:20 AM 2:30 PM - 3:15 PM
	Etiwanda SD					
13	W. Constitution/Yosemite (NW) West Heritage Elem	7:20 AM - 8:20 AM 1:00 PM - 1:45 PM	7:20 AM - 8:20 AM 2:30 PM - 3:15 PM	7:20 AM - 8:20 AM 2:30 PM - 3:15 PM	7:20 AM - 8:20 AM 2:30 PM - 3:15 PM	7:20 AM - 8:20 AM 2:30 PM - 3:15 PM
	Etiwanda SD					

## EXHIBIT A

## Client Matrix



## ALL CITY MANAGEMENT SERVICES

JACKSON, MICHELLE

CARRANZA, CLAUDIA

Ph: (909) 202-0829

1009801 Fontana USD - North

		MON	TUE	WED	THU	FRI
14	Almeria/Miller (SE) Almeria Middle	7:15 AM - 8:15 AM 2:25 PM - 3:10 PM	7:15 AM - 8:15 AM 2:25 PM - 3:10 PM	7:15 AM - 8:15 AM 12:45 PM - 1:30 PM	7:15 AM - 8:15 AM 2:25 PM - 3:10 PM	7:15 AM - 8:15 AM 2:25 PM - 3:10 PM
	Fontana USD					
15	Cypress/Jackson (SE) Binks (Kathy) Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					
16	Almeria/Virginia (SW) Grant Elem	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 12:05 PM - 12:50 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM
	Fontana USD					
17	Riley/Virginia (SE) Grant Elem	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 12:05 PM - 12:50 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM	7:30 AM - 8:30 AM 2:35 PM - 3:20 PM
	Fontana USD					
18	Narcissus/Plumaria (SW) Hemlock Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					
19	Juniper/Miller (SE) Juniper Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					
20	Mango/Wabash (SW) Mango Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					



## ALL CITY MANAGEMENT SERVICES

JACKSON, MICHELLE

CARRANZA, CLAUDIA

Ph: (909) 202-0829

1009801 Fontana USD - North

## Client Matrix

		MON	TUE	WED	THU	FRI
21	Mango/Miller (SW) Mango Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					
	Reg 3 Other					
22	Tamarind/N. of Barbee (FOS) N Tamarind Elem	7:25 AM - 8:25 AM 2:35 PM - 3:20 PM	7:25 AM - 8:25 AM 2:35 PM - 3:20 PM	7:25 AM - 8:25 AM 12:05 PM - 12:50 PM	7:25 AM - 8:25 AM 2:35 PM - 3:20 PM	7:25 AM - 8:25 AM 2:35 PM - 3:20 PM
	Fontana USD					
	Reg 3 Other					
23	Alder/Mc Wethy (NW) N Tamarind Elem	7:25 AM - 8:25 AM 2:35 PM - 3:20 PM	7:25 AM - 8:25 AM 2:35 PM - 3:20 PM	7:25 AM - 8:25 AM 12:05 PM - 12:50 PM	7:25 AM - 8:25 AM 2:35 PM - 3:20 PM	7:25 AM - 8:25 AM 2:35 PM - 3:20 PM
	Fontana USD					
	Reg 3 Other					
24	Etiwanda/Maple (SE) Primrose (Virginia) Elem	7:50 AM - 8:50 AM 3:05 PM - 3:50 PM	7:50 AM - 8:50 AM 3:05 PM - 3:50 PM	7:50 AM - 8:50 AM 12:35 PM - 1:20 PM	7:50 AM - 8:50 AM 3:05 PM - 3:50 PM	7:50 AM - 8:50 AM 3:05 PM - 3:50 PM
	Fontana USD					
	Reg 3 Other					
25	Juniper/Walnut (NW) Ruble (Wayne) Mid	7:15 AM - 8:15 AM 2:25 PM - 3:10 PM	7:15 AM - 8:15 AM 2:25 PM - 3:10 PM	7:15 AM - 8:15 AM 12:45 PM - 1:30 PM	7:15 AM - 8:15 AM 2:25 PM - 3:10 PM	7:15 AM - 8:15 AM 2:25 PM - 3:10 PM
	Fontana USD					
	Reg 3 Other					
26	Augusta/Avenal (SW) Sierra Lake Elem	8:00 AM - 9:00 AM 3:05 PM - 3:50 PM	8:00 AM - 9:00 AM 3:05 PM - 3:50 PM	8:00 AM - 9:00 AM 12:35 PM - 1:20 PM	8:00 AM - 9:00 AM 3:05 PM - 3:50 PM	8:00 AM - 9:00 AM 3:05 PM - 3:50 PM
	Fontana USD					
	Reg 3 Other					
27	Tokay/Malago (SW) Tokay Elem	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
	Fontana USD					
	Reg 3 Other					



## Client Matrix



## ALL CITY MANAGEMENT SERVICES

JACKSON, MICHELLE

CARRANZA, CLAUDIA

Ph: (909) 202-0829

1009801 Fontana USD - North

		MON	TUE	WED	THU	FRI
28 Citrus/Malago (SW) Tokay Elem	909.357.5770	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
Fontana USD	Reg 3 Other					
29 Miller/Tokay (NW) Tokay Elem	909.357.5770	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
Fontana USD	Reg 3 Other					
30 Miller/Citrus (SW) Tokay Elem	909.357.5770	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
Fontana USD	Reg 3 Other					
31 Emanuel/locust (NE) Locust Elem	909.357.5650	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
Fontana USD	Reg 3 Other					
32 Miller/Tamarind (SE) N Tamarind Elem	909.357.5680	7:25 AM - 8:25 AM 2:35 PM - 3:20 PM	7:25 AM - 8:25 AM 2:35 PM - 3:20 PM	7:25 AM - 8:25 AM 12:05 PM - 12:50 PM	7:25 AM - 8:25 AM 2:35 PM - 3:20 PM	7:25 AM - 8:25 AM 2:35 PM - 3:20 PM
Fontana USD	Reg 3 Other					
33 Augusta/Pinehurst (NE) Sierra Lake Elem	909.357.5270	8:00 AM - 9:00 AM 3:05 PM - 3:50 PM	8:00 AM - 9:00 AM 3:05 PM - 3:50 PM	8:00 AM - 9:00 AM 12:35 PM - 1:20 PM	8:00 AM - 9:00 AM 3:05 PM - 3:50 PM	8:00 AM - 9:00 AM 3:05 PM - 3:50 PM
Fontana USD	Reg 3 Other					
34 Juniper / Ramona Juniper Elem	909.357.5480	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 11:35 AM - 12:20 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM	7:00 AM - 8:00 AM 2:05 PM - 2:50 PM
Fontana USD	Reg 3 Other					

EXHIBIT A

Client Matrix



ALL CITY MANAGEMENT SERVICES

JACKSON, MICHELLE

CARRANZA, CLAUDIA

Ph: (909) 202-0829

1009801

Fontana USD - North

	MON	TUE	WED	THU	FRI
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Reg Other					
Reg Other					
Reg Other					
Reg Other					
Reg Other					



ALL CITY MANAGEMENT SERVICES

JACKSON, MICHELLE

CARRANZA, CLAUDIA

Ph: (909) 202-0829

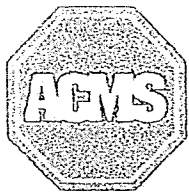
1009801 Fontana USD - North

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Reg Other

# EXHIBIT B



## AGREEMENT FOR CROSSING GUARD SERVICES

This AGREEMENT FOR CROSSING GUARD SERVICES (the "Agreement") is dated July 30, 2021 and is between the FONTANA UNIFIED SCHOOL DISTRICT (hereinafter called the "District"), and ALL CITY MANAGEMENT SERVICES, INC., a California corporation (hereinafter called the "Contractor").

### WITNESSETH

The parties hereto have mutually covenanted and agreed as follows:

1. This Agreement is for a term which commences on or about August 1, 2021 and ends on June 30, 2022 (the initial term). The District may renew this Agreement as provided in Section 17 below, and the parties may renew and extend the Agreement thereafter as they may agree.
2. The Contractor will provide sufficient personnel to meet the District's Crossing Guard requirements during the term of this agreement and any renewals and extensions thereof. Said personnel shall be equipped and trained as provided in the contract documents. Such personnel shall be herein referred to as a "Crossing Guard". The Contractor is an independent contractor and the Crossing Guards furnished by it shall at all times be its employees and not those of the District.
3. The District's representative in dealing with the Contractor shall be designated by the Fontana Unified School District.
4. The District shall determine the locations where Crossing Guards shall be furnished by the Contractor. The Contractor shall provide at each designated location personnel properly trained as herein specified for the performance of duties as a Crossing Guard. The Contractor shall provide supervisory personnel to see that Crossing Guard activities are taking place at the required places and times, and in accordance with direction from the District.
5. The Contractor shall maintain adequate reserve personnel to be able to furnish alternate Crossing Guards in the event that any person fails to report for work at the assigned time and location and agrees to provide immediate replacement.
6. In the performance of its duties the Contractor and all employees of the Contractor shall conduct themselves in accordance with the conditions of the Contract Documents and all applicable laws of the state in which Services are to be performed.
7. Persons provided by the Contractor as Crossing Guards shall be trained by Contractor in all applicable laws of the state in which the Services are to be performed pertaining to general pedestrian safety in school crossing areas.
8. Crossing Guard Services (the "Services") shall be provided by the Contractor at the designated locations on all days in which school is in session in the area under District's jurisdiction. The

# EXHIBIT B

Contractor also agrees to maintain communication with the designated schools to maintain proper scheduling.

9. The Contractor shall provide all Crossing Guards with apparel by which they are readily visible and easily recognized as Crossing Guards. Such apparel shall be uniform for all persons performing the duties of Crossing Guards and shall be worn at all times while performing said duties. This apparel must be appropriate for weather conditions. The Contractor shall also provide all Crossing Guards with hand held Stop signs and any other safety equipment which may be necessary.
10. The Contractor shall at all times provide workers' compensation insurance covering its employees and shall provide and maintain liability insurance for Crossing Guard activities. The Contractor will provide to the District a Certificate of Insurance naming the District and its officials, officers and employees as additional insureds. Such insurance shall include commercial general liability with a combined single limit of not less than \$1,000,000.00 per occurrence and in aggregate for property damage and bodily injury. Such insurance shall be primary with respect to any insurance maintained by the District and shall not call on the District's insurance contributions. Such insurance shall be endorsed for contractual liability and personal injury and shall include the District, its officers, agents and interest of the District. Such insurance shall not be canceled, reduced in coverage or limits or non-renewed except after thirty (30) days written notice has been given to the District.
11. Contractor agrees to defend, indemnify and hold harmless the District, its officers, employees, agents and representatives, from and against any and all actions, claims for damages to persons or property, penalties, obligations or liabilities (each a "Claim" and collectively, the "Claims") that may be asserted or claimed by any person, firm, entity, corporation, political subdivision or other organization arising out of the negligent acts or omissions, or willful misconduct, of Contractor, its agents, employees, subcontractors, representatives or invitees.
  - a) Contractor will defend any action or actions filed in connection with any of said claims, damages, penalties, obligations or liabilities and will pay all costs and expenses including attorney's fees incurred in connection herewith.
  - b) Contractor will promptly pay any judgment rendered against the District, its officers, agents or employees for any such claims, damages, penalties, obligations or liabilities.
  - c) In the event the District, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the sole negligence of Contractor hereunder, Contractor agrees to pay District, its officers, agents, or employees, any and all costs and expenses incurred by the District, its officers agents or employees in such action or proceeding, including, but not limited to, reasonable attorney's fees.
  - d) In the event that a court determines that liability for any Claim was caused or contributed to by the negligent act or omission or the willful misconduct of District, liability will be apportioned between Contractor and District based upon the parties' respective degrees of culpability, as determined by the court, and Contractor's duty to indemnify District will be limited accordingly.

# EXHIBIT B

- e) Notwithstanding anything to the contrary contained herein, Contractor's indemnification obligation to District for Claims under this Agreement will be limited to the maximum combined aggregate of Contractor's general liability and umbrella insurance policies in the amount of \$5,000,000 (Five Million Dollars).
- f) Nothing herein is intended to serve as a waiver of sovereign immunity by any agency or political subdivision to which sovereign immunity may be applicable.
- 12. Either party shall have the right to terminate this Agreement by giving sixty (60) days written notice to the other party.
- 13. The Contractor shall not have the right to assign this Agreement without the express consent of District.
- 14. The Fontana Unified School District agrees to pay the Contractor for the Services rendered pursuant to the Contracts Documents the sum of Twenty-three Dollars and Thirty-one Cents (**\$23.31**) per hour for the initial term of the contract. The Contractor has based pricing upon 73 total Crossing Guards with a maximum of 39,420 hours of billable services. Based upon the total of 39,420 hours, which are billed every two weeks (180 school days), the estimated total amount of \$918,881.00. The District shall reserve the right to increase and/or decrease locations/hours dependent on District needs during the contract period.
- 15. Payment is due within thirty (30) days of receipt of Contractor's properly prepared invoice.
- 16. Contractor may request a price increase during the term as a result of any legally mandated increases in wages or benefits imposed in the state or municipality in which the Services are to be performed and to which Contractor's employees would be subject. Contractor shall provide District with 60 days-notice of its request to increase pricing. District agrees to review and respond to said notice within 30 days of receipt.
- 17. The District will have the option to renew this Agreement following the initial term. In the event this Agreement is extended beyond the end of the initial term, the compensation shall be as provided as agreed by Amendment executed by both parties.
- 18. This Agreement constitutes the complete and exclusive statement of the agreement among the parties with respect to the subject matter hereof and supersedes all prior written or oral statements among the parties, including any prior statements, warranties, or representations. This Agreement is binding upon and will inure to the benefit of the parties hereto and their respective heirs, administrators, executors, successors, and assigns. Each party hereto agrees that this Agreement will be governed by the law of the state in which the Services are to be performed, without regard to its conflicts of law provisions. Any amendments, modifications, or alterations to this Agreement must be in writing and signed by all parties. There will be no presumption against any party on the ground that such party was responsible for preparing this Agreement or any part of it. Each provision of this Agreement is severable from the other provisions. If any provision of this Agreement is declared invalid or contrary to existing law, the inoperability of that provision will have no effect on the remaining provisions of the Agreement which will continue in full force and effect.

# EXHIBIT B

19. Governing Law: The terms and conditions of this AGREEMENT shall be governed by the laws of the State of California with venue in San Bernardino County, California.

20. School Site Notification: CONSULTANT agrees that it will notify the DISTRICT, in writing, at least five (5) business days before CONSULTANT makes any changes to crossing guard services provided by CONSULTANT at any designated location. CONSULTANT further agrees that in the event CONSULTANT fails to adhere to this provision, CONSULTANT will be solely responsible for any injury of any kind as a result of the absence of a crossing guard at a designated location during the times required by this Agreement. CONSULTANT further agrees it will indemnify and defend the DISTRICT, consistent with Paragraph 14 herein, for failure to give proper notice to the District, leading to lack of crossing guard services at a designated location.

[SIGNATURES FOLLOW ON NEXT PAGE]

# EXHIBIT B

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year written below.

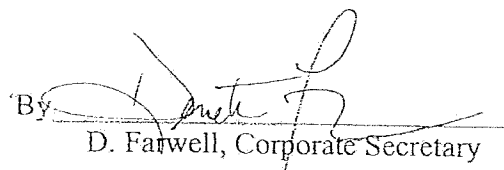
FONTANA UNIFIED SCHOOL DISTRICT      ALL CITY MANAGEMENT SERVICES

By



Signature

By



D. Farwell, Corporate Secretary

Ryan DiGiulio, Associate Superintendent, Business Services

Date

7/30/21

Date

8/11/21





# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-875

**Agenda #:** C.

**Agenda Date:** 9/28/2021

**Category:** Consent Calendar

---

**FROM:**

Engineering

**SUBJECT:**

Approve replacement of securities for Tract No. 17039 within the Citrus Heights North Specific Plan (Shady Trails).

**RECOMMENDATION:**

Approve replacement of securities for infrastructure improvements of Tract No. 17039 and authorize the City Manager to enter into a Subdivision Agreement with Richmond American Homes of Maryland, Inc. for construction of infrastructure improvements.

**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 improving the aesthetics of the community.

**DISCUSSION:**

Tentative Tract No. 17039 was approved by Planning Commission on July 2, 2019. As a requirement of the project, the developer was conditioned to build infrastructure improvements of Tentative Tract No. 17039 located within the Citrus Heights North Specific Plan (Shady Trails) at the southwest corner of Citrus Avenue and Knox Avenue. SC Fontana Development Company, LLC posted a Subdivision Improvement Agreement and Securities for infrastructure improvements on March 3, 2020. Recently, Richmond American Homes of Maryland, Inc. purchased the development from SC Fontana Development Company, LLC and has posted a Subdivision Improvement Agreement and Securities to complete the required infrastructure improvements. Therefore, this action will allow the securities from Richmond American Homes of Maryland, Inc. to replace securities from SC Fontana Development Company, LLC which will be released. The requirements for the development of the subdivision have not changed.

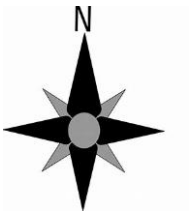
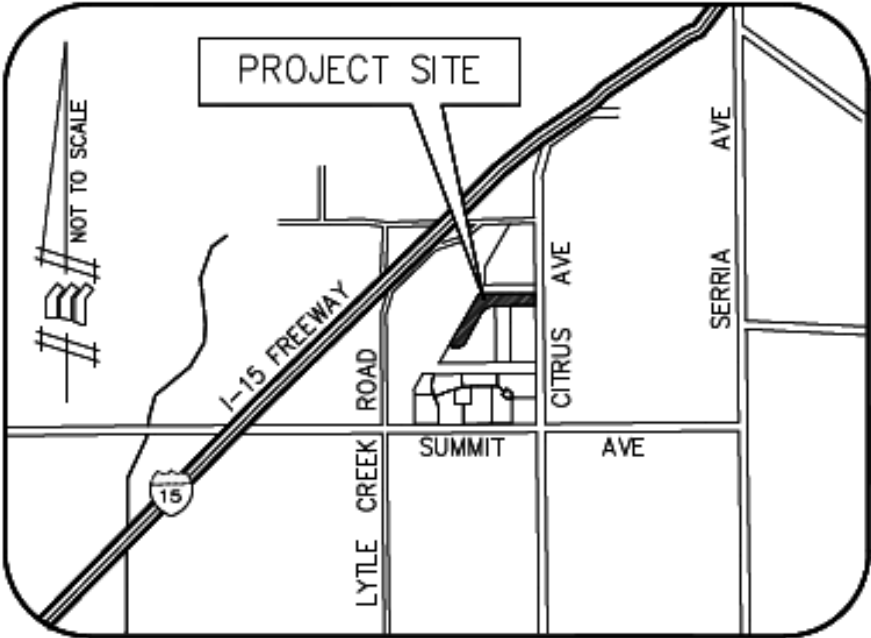
**FISCAL IMPACT:**

There is no fiscal impact.

**MOTION:**

Approve staff recommendation.

TRACT MAP NOS. 17039 & 17039-1  
CITY OF FONTANA, CALIFORNIA



## **SUBDIVISION IMPROVEMENT AGREEMENT**

**Tract Map No.: 17039**

**THIS AGREEMENT** is between the City of Fontana, a municipal corporation, County of San Bernardino, State of California ("City") and Richmond American Homes of Maryland, Inc., ("Subdivider"):

**WHEREAS**, the application for tentative Tract Map No. 17039, was conditionally approved on August 13, 2019; and

**WHEREAS**, Subdivider is the owner of that certain parcel of land defined by the Final Map and Subdivider proposes to do and perform certain work of improvement thereon as set forth in this agreement; and

**WHEREAS**, City desires to assure that the proposed improvements will be done in a good workmanlike manner and in accordance with the laws and standards now in force and effect in the City, the terms and conditions of which are incorporated herein by reference; and

**WHEREAS**, Subdivider declares acknowledgement the pertinent regulations contained in the City Code and in the Subdivision Map Act (Government Code Sections 66410 to 66500) and agrees to comply therewith; and

**WHEREAS**, a Final Map of the subdivision, prepared in accordance with the City's Subdivision Ordinance, has been filed by Subdivider with City for approval by the City Council;

**NOW THEREFORE**, in consideration of the approval and acceptance of the Final Map by the City Council and the acceptance of easements therein offered for dedication for street, utility, and other public purposes and the covenants herein contained, the parties hereto mutually covenant and agree as follows:

1. **General requirements:**

Subdivider shall, at its own cost and expense, provide all required tests, design work, equipment, materials and labor in order to complete all of the improvements as associated with the requirements per the approved project or to the satisfaction of the City Engineer of the City of Fontana. All required improvements have an estimated cost of construction totaling Two Hundred Eleven Thousand Dollars, (\$211,000.00) as shown on Exhibit "A". Improvements are shown on approved plans on file with City Engineer.

The estimated cost of construction set forth in Exhibit "A" is for estimation purposes only, and for calculation of the amount of securities required pursuant to the provisions of section (2), below. Subdivider's obligation to complete the improvements, or any portion of them, is not limited in any way by the estimated cost of construction, and the obligation of Subdivider's surety in connection with the securities required pursuant to the provisions of section (2), below.

2. **Security:**

Subdivider shall, at all times, guarantee its performance of this agreement by furnishing to City and maintaining good and sufficient security as required by the State Subdivision Map Act on forms approved by City for the purposes and in the amounts as follows:

- a. To ensure a faithful performance of this agreement in regard to the improvements in the amount of 100% of the estimated cost of construction of the improvements; and
- b. To secure payment to any contractor, sub-contractor, persons renting equipment or furnishing labor or materials for the improvements required to be constructed or installed pursuant to this agreement in the additional amount of 100% of the estimated cost of construction of the improvements; and
- c. To guarantee or warranty the work done pursuant to this agreement for a period of one (1) year following acceptance thereof by City Council of the City of Fontana against any defective work or labor done or defective materials furnished in the amount of 20% of the estimated cost of construction of the improvements; and
- d. To warranty the setting of required subdivision monuments within one-year following recordation of the Final Map in the amount of 100% of the estimated cost of setting subdivision monuments as shown in Exhibit "A".
- e. To guarantee the landscape maintenance of all landscape improvements for a period of one year (1) year following acceptance of thereof by the City.

The securities required by this agreement shall be kept on file with the City Clerk. The terms of the security documents required by this agreement are hereby incorporated in this agreement by reference and copies attached hereto.

The security, which guarantees performance, can be released upon acceptance of the improvements by the City Council. The security which guarantees payment to contractor, sub-contractors and to persons furnishing labor, materials or equipment will be released 6 months after acceptance of the improvements by the City Council, less the total of all claims to which the City has been given proper notice.

Securities may be released upon the final completion and acceptance of the work subject to the provisions herein. The City Council, in its absolute discretion, may release a portion of the security given for faithful performance of the improvement work as the improvement progresses upon application thereof by the Subdivider.

3. **Time of Completion:**

All of the required improvements shall be completed within 24 months from the effective date of this agreement. If the work is not completed within the specified time period because of acts of God, the public enemy, the City, or because of fire, flood, epidemic, quarantine restrictions, strikes or freight embargoes, the Subdivider shall be entitled to an extension beyond the specified time period for a period equal to the length of such delay within ten days from the beginning of such delay.

In addition to the extension for the reasons referenced in the foregoing paragraph, Subdivider may submit a written request, Exhibit "B", for a discretionary extension of the time for completion of the improvements to the City Engineer. The City Engineer may grant or reject such extension, in whole or in part or with conditions, in his sole discretion. If an extension of time is granted it shall in no way affect the validity of this contract or release the surety on the securities referenced herein.

In the event that Subdivider fails to complete the improvements within the required period or any approved extension, the City may complete the work and shall be entitled to recover the full cost and expenses thereof from Subdivider, or his surety as herein provided. If City pursues completion of the improvement work, it may require Subdivider, or his surety, to pay the City in advance, sufficient monies to cover the City's cost in completing construction of the improvements.

Any limitations period provided by law related to breach of this Agreement or the terms thereof shall not commence running until Subdivider, or Subdivider's surety pursuant to Section 2 of this Agreement, has provided the City Engineer with written notice of Subdivider's intent to abandon or otherwise not complete the improvements.

4. **Effective Date of Agreement:**

This Agreement shall not become effective unless and until the Subdivision Map has been approved by the City Council of the City of Fontana and also accepted the Final Map for recordation by the County Recorder of the County of San Bernardino.

5. **Utility Deposits - Statements:**

Prior to the commencement of any work to be performed within the area delineated on the Final Map, the Subdivider must file a written statement with the City Clerk and the City Engineer, signed by the Subdivider, and each public utility involved, to the effect that Subdivider has made all deposits legally required by such public utility for the connection/extension of any and all public serving utilities to be provided to or within the subdivision.

6. **Permits - Compliance with Law:**

Subdivider shall, at Subdivider's expense, obtain all necessary permits and licenses, pay all charges, fees and taxes, and give all necessary and incidental notices to the due and lawful prosecution of the work.

7. **Definition and Ownership of Improvements:**

The term "improvements" means: grading, paving, curbs and gutters, pathways, storm drains, sanitary sewers, utilities, drainage facilities, traffic controls, landscaping, street lights, and all other required facilities as shown in detail upon plans, profiles and specifications which have been prepared or are now in final preparation by engineers acting for Subdivider subject to approval by the City Engineer of the City of Fontana. No work on the improvements shall be commenced until plans and/or profiles therefore have been submitted, approved and permitted by the City Engineer. All required public improvements constructed or installed pursuant to this Agreement shall become the sole exclusive property of the City, without payment therefore, upon acceptance of the improvements by the City Council.

8. **Obligations of Subdivider:**

Notwithstanding the fact that Subdivider's plans and specifications, completion of the work, and other acts are subject to approval of the City, it is understood and agreed that any approval by the City thereof shall in no way relieve Subdivider of satisfactorily performing all work on the related obligations hereunder. The construction shall be done strictly in accordance with the plans and specifications

prepared by Subdivider or its engineer, and as approved by the City as being consistent with the City Code and Standards. Subdivider warrants that its plans and specifications conform as a minimum to all City codes and standards and that they are adequate to accomplish the work in a good workmanlike manner and in accordance with responsible construction practices.

9. **Superintendence by Subdivider:**

Subdivider shall personally supervise all work involved in the improvements, or shall designate a competent foreman or superintendent, satisfactory to the City Engineer, to supervise the work at all times during progress, with authority to act for Subdivider. In the event satisfactory superintendence is not being exercised by the Subdivider, the City Engineer may order suspension of all work within the subdivision until the deficiency is adequately corrected.

10. **Repair and Replacements:**

Subdivider shall replace, or have replaced, or repair, or have repaired, as the case may be, or pay to the owner the entire cost of replacement or repairs, for all survey monuments or for any and all property damaged or destroyed by reason of any work done hereunder, whether such property be owned by the United States or any agency thereof, or by the City or by any public or private corporation, or by any person whomsoever or by combination of such owners. Any such repair or replacement shall be completed in a reasonable manner and subject to the approval of the City Engineer and affected property owner.

11. **Inspection by City:**

Subdivider shall at all times maintain proper facilities and provide safe access for inspection by City to all parts of the work and to the shops where the work is in preparation. The cost of inspections shall be paid by the Subdivider.

12. **Approval by City Engineer.**

All required improvements shall be constructed under the inspection of and subject to approval of the City Engineer. Therefore, it is mutually agreed by the parties hereto that the City Engineer shall have the right to reject any or all of the work to be performed under this contract if such work does not conform to the plans and specifications set forth herein or the City's Codes and standards. Any damage to the improvements (existing or new) that occurs during the course of work performed under this Agreement shall be repaired or replaced, by the Subdivider, to the satisfaction of the City Engineer before the final acceptance of completed work and release of security.

13. **Liability for Performance Injury or Damage:**

Neither the City nor any of its officers or agents shall be liable to Subdivider or its contractors for any error or omission arising out of or in connection with any work to be performed under this contract. Additionally, the City shall not be liable to the Subdivider or to any other person, firm, or corporation whatsoever, for any injury or damage that may result to any person or property by or from any cause whatsoever in, on, or about the subdivision of said land covered by this Agreement, or any part thereof.

14. **Indemnification and Release:**

Prior to the commencement of any work pursuant to this contract, Subdivider's contractors shall furnish to City satisfactory evidence of an insurance policy written upon a form and by a company (which meets with the approval of City) insuring City, its officers, agents, and employees against loss or liability which may arise during the work or which may result from any of the work herein required to be done, including all costs of defending and claim arising as a result thereof. Minimum liability and property damage insurance shall not be less than \$250,000 for all damages arising out of bodily injury to a death of one person and not less than \$1,000,000 for all damages arising out of bodily injuries to or death of more than one person in any occurrence; and not less than \$250,000 for all damages and/or destruction of property in any one occurrence and not less than \$500,000 for all damages and/or destruction of property during the policy period. Such policy shall be in favor of Subdivider or its contractors and of the City, its officers, agents, and employees and shall be maintained in full force and effect during the life of this contract. The policy shall state by its terms and by an endorsement that it shall not be cancelled until City shall have had at least ninety (90) days' notice in writing of such cancellation.

The Subdivider hereby releases and agrees to indemnify and save the City harmless from and against any and all injuries to and deaths of persons and injuries to property, and all claims, demands, costs, loss, damage and liability, howsoever the same may be caused and whensoever the same may appear, resulting directly or indirectly from the performance or non-performance of any of or all work to be done in and upon premises adjacent thereto pursuant to this Agreement, and also from any and all injuries to and deaths of persons and injuries to property or other interests and all claims, demands, costs, loss, damage, and liability, howsoever same may be caused and whensoever the same may appear, either directly or indirectly made or suffered by the Subdivider, the Subdivider's agents, employees, and sub-contractors, while engaged in the performance of the work.



15. **Liability of Subdivider:**

The Subdivider agrees that the use for any purpose and by any person of any and all of the streets, easements and improvements herein specified shall be at the sole and exclusive risk of the Subdivider at all times prior to final acceptance by the City of the completed street and other improvements thereon and therein; provided that acceptance by the City shall in no way eliminate or lessen any of Subdivider's obligations or undertakings contained in this Agreement. The issuance of any occupancy permits (if granted) by the City for buildings located within the subdivision shall not be construed in any manner to constitute an acceptance and approval of any or all of the required improvements in said subdivision.

16. **Relationship of Contractors:**

It is hereby mutually covenanted and agreed by the parties hereto that Subdivider's contractors are not agents of the City, if any, are those of independent contractors.

17. **Repair or Reconstruction of Defective Work:**

If, within a period of up to one year after City Council acceptance of the improvement work performed under this Agreement, any of the improvements for work done under this Agreement fails to fulfill any of the requirements of this Agreement, or the specifications referred to herein, Subdivider shall without delay and without any cost to the City (upon receipt of written notice from the City), repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or structure. Should Subdivider fail to act promptly or in accordance with this requirement, or should the exigencies of the case require repairs or replacements to be made before Subdivider can be notified, City may, at its own option, make the necessary repairs or replacements or perform the necessary work and offset that amount against any security pledged by Subdivider for faithful performance, labor and materials, or warranty obligations under this agreement.

18. **Warranty:**

Without limiting the foregoing, Subdivider warrants and guarantees: materials used and workmanship performed on said work for a period of one (1) year after completion and acceptance thereof by the City, and the setting of all required Final Map monuments.

19. **Assignment:**

This agreement shall not be assignable by Subdivider without written consent of City.

**IN WITNESS WHEREOF**, this agreement shall for all purposes be deemed an original thereof, having been duly executed by the Subdivider herein named on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_ being duly signed by its undersigned representative(s) pursuant to authority of its governing body.

**SUBDIVIDER**

**CITY OF FONTANA**

By: Richmond American Homes of  
Maryland, a Maryland Corporation

By: \_\_\_\_\_  
Mark Denny, City Manager

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

Name: Sondra Harris

Attest: \_\_\_\_\_  
Tonia Lewis, City Clerk

Title: Vice President, Land.

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Ruben Duran, City Attorney

APPROVED AS TO CONTENT:

By: \_\_\_\_\_  
Ricardo Sandoval, City Engineer

Attachments: (1) Exhibit "A" – Cost Estimate  
(2) Exhibit "B" – Time Extension  
(3) Securities

Exhibit “A”

**INSERT ENGINEER’S  
COST ESTIMATE  
IN THIS SPOT**

STAFF USE ONLY  
ENGINEERING PC NO.

**CITY OF FONTANA  
ENGINEERING DEPARTMENT  
COST ESTIMATE \*\*EXHIBIT "A"\*\***

SHEET 1

DATE: 08-25-2020  
DEVELOPER Richmond American Homes  
ENGINEER UNITED CIVIL, INC.  
PHONE NO. 818-707-8648

PROJECT NAME Wisteria - PA 14  
TRACT MAP NO. 17039  
PARCEL MAP NO. \_\_\_\_\_

**STREET IMPROVEMENTS**

ITEM	QUANTITY	UNIT	UNIT COST	AMOUNT
6" CURB & GUTTER		L.F.	17.00	
8" CURB & GUTTER		L.F.	19.00	
8" THICK CROSS GUTTER		S.F.	11.00	
4" SIDEWALK	7,843	S.F.	5.00	39,215
ACCESS RAMP	9	EA	2500.00	22,500
DRIVE WAY APPROACHES	7,295	S.F.	11.00	80,245
ASPHALT CONCRETE DIKES		L.F.	11.00	
FOG SEAL		S.F.	.10	
IMPORTED EMBANKMENT		C.Y.	10.00	
PREPARATION OF SUBGRADE		S.F.	.50	
*A.C.		TON	90.00	
*A.C.OVERLAY(1"MI.THICKNESS)	5,015	S.F.	.80	4,012
**PCC CURB ONLY (MEDIAN)		L.F.	16.00	
ADJUST SEWER MANHOLE TO GRADE		EA	500.00	
ADJUST SEWER CLEAN OUT TO GRADE		EA	300.00	
ADJUST WATER VALVES TO GRADE		EA	250.00	
BARRICADES		L.F.	40.00	
2 X 4 REDWOOD HEADER		L.F.	5.00	
*REMOVAL OF A.C. PAVEMENT		S.F.	.66	
**REMOVAL OF P.C.C. CURB		L.F.	6.00	
*REMOVAL OF A.C. BERM		L.F.	5.00	
RETAINING WALL H=2 1/2 FT. OR LESS		L.F.	40.00	
BLOCK WALL H=6 FEET		L.F.	50.00	
AGGREGATE BASE		TON	30.00	
GUARD POSTS		EA	70.00	
GUARD PANEL (WOOD)		L.F.	40.00	
SAWCUT		L.F.	3.50	
REFLECTORS AND POSTS		EA	100.00	
STREET SIGNS		EA	250.00	
		EA		
		EA		
		EA		
		EA		

**STREET IMPROVEMENT SUBTOTAL** 145,972.00

\* A.C. ASPHALTIC CONCRETE  
\*\* P.C.C. PORTLAND CONCRETE CEMENT  
Revised 12/1/2016 - GM/RG

**STORM DRAIN IMPROVEMENTS**

ITEM	QUANTITY	UNIT	UNIT COST	AMOUNT
* 18" RCP	_____	L.F.	90.00	_____
* 24" RCP	_____	L.F.	110.00	_____
* 30" RCP	_____	L.F.	200.00	_____
* 36" RCP	_____	L.F.	220.00	_____
* 42" RCP	_____	L.F.	240.00	_____
* 48" RCP	_____	L.F.	260.00	_____
* 54" RCP	_____	L.F.	280.00	_____
* 60" RCP	_____	L.F.	300.00	_____
* 66" RCP	_____	L.F.	320.00	_____
* 78" RCP	_____	L.F.	340.00	_____
* 24" CMP	_____	L.F.	90.00	_____
* 60" CMP	_____	L.F.	320.00	_____
CATCH BASIN/CURB INLET:				
W=7	_____	EA	4,000.00	_____
W=10	_____	EA	4,500.00	_____
W=14	_____	EA	6,000.00	_____
W=21	_____	EA	11,000.00	_____
W=28	_____	EA	14,000.00	_____
JUNCTION STRUCTURE	_____	EA	3,200.00	_____
TRAFFIC TYPE JUNCTION STRUCTURE	_____	EA	2,800.00	_____
DISCHARGE STRUCTURE	_____	EA	2,800.00	_____
MANHOLES	_____	EA	2,500.00	_____
LOCAL DEPRESSION	_____	EA	1,250.00	_____
GRATE INLET STRUCTURE	_____	EA	2,100.00	_____
_____	_____	EA	_____	_____
_____	_____	EA	_____	_____
_____	_____	EA	_____	_____

**STORM DRAIN IMPROVEMENT SUBTOTAL**

\* REINFORCE CONCRETE PIPE

**SANITARY SEWER IMPROVEMENTS**

MANHOLES 60" DIAMETER	_____	EA	4,500.00	_____
MANHOLES 48" DIAMETER	_____	EA	4,000.00	_____
DROP MAN HOLES	_____	EA	4,500.00	_____
WYES	_____	EA	100.00	_____
CLEANOUTS	_____	EA	600.00	_____
REMODELING OF EXISTING MANHOLE	_____	EA	950.00	_____
** 4" VCP	_____	L.F.	50.00	_____
** 6" VCP	_____	L.F.	60.00	_____
** 8" VCP	_____	L.F.	70.00	_____
** 10" VCP	_____	L.F.	80.00	_____
** 12" VCP	_____	L.F.	90.00	_____
** 15" VCP	_____	L.F.	100.00	_____
_____	_____	L.F.	_____	_____
_____	_____	L.F.	_____	_____

**SANITARY SEWER IMPROVEMENT SUBTOTAL**

\*\* VITRIFIED CLAY PIPE

Revised 12/1/2016 - GM/RG

**TRAFFIC SIGNALS/SIGN/STRIPING**

ITEM	QUANTITY	UNIT	UNIT COST	AMOUNT
TRAFFIC SIGNAL MODIFICATION:				
ONE CORNER	_____	L.S.	50K	_____
TWO CORNERS	_____	L.S.	100K	_____
TRAFFIC SIGNAL NEW	_____	L.S.	250K	_____
PAINT TRAFFIC STRIPE (1 COAT)	_____	L.F.	2.40	_____
PAINT TRAFFIC STRIPE (2 COATS)	_____	L.F.	.65	_____
PEDESTRIAN CROSSWALK STRIPING	_____	L.F.	.65	_____
PAVEMENT MARKER (NON REFLECTIVE)	_____	EA	2.50	_____
PAVEMENT MARKER (REFLECTIVE)	_____	EA	4.00	_____
REFLECTORS AND POSTS	_____	EA	100.00	_____
STREET SIGNS	_____	EA	250.00	_____
_____	_____	EA	_____	_____
_____	_____	EA	_____	_____
<b>TRAFFIC SIGNAL/SIGNS/STRIPING SUBTOTAL</b>				_____

**CFD LANDSCAPE IMPROVEMENTS (BONDING PURPOSES ONLY)**

AREA LANDSCAPED	_____	S.F.	\$12.00	_____
CENTER MEDIAN	_____	S.F.	\$12.00	_____
<b>LANDSCAPING IMPROVEMENTS SUBTOTAL</b>				_____

## SUBTOTALS:

STREET IMPROVEMENT SUBTOTAL..... 145,972.00  
 STORM DRAIN IMPROVEMENTS SUBTOTAL.....  
 SANITARY SEWER IMPROVEMENTS SUBTOTAL.....  
 TRAFFIC SIGNAL/SIGNS/STRIPING SUBTOTAL.....

IMPROVEMENT SUBTOTAL 145,972.00  
 =====

(\*USE THIS TOTAL FOR PLAN CHECK & PERMITTING PURPOSES\*)

CFD LANDSCAPE IMPROVEMENTS .....  
 SUBDIVISION MONUMENT GUARANTEE \$1,200 + \$50/LOT ...  
 STREET LIGHTS 13 @ \$5,000 ..... 65,000.00  
 CUCAMONGA COUNTY WATER DISTRICT FACILITIES.....

IMPROVEMENT SUBTOTAL.... 210,972.00  
 =====  
 ADD 35%.....

BONDING TOTAL..... 210,972.00  
 =====



*John T. Luong*

**APPROVED PUBLIC IMPROVEMENT PLANS:**

STREET IMP. DWG. NO. 5872  
 STREET LIGHT DWG. NO. 5872 LT  
 SEWER IMP. DWG. NO. \_\_\_\_\_  
 STORM DRAIN IMP. DWG. NO. \_\_\_\_\_  
 TRAFFIC SIGNAL DWG. NO. \_\_\_\_\_  
 SIGNING & STRIPING DWG. NO. \_\_\_\_\_



Bond No. SUR0067028  
Premium \$ 739.00

**SECURITY BOND FOR FAITHFUL PERFORMANCE OF  
SUBDIVISION AGREEMENT**

Tract Map No.: 17039

**WHEREAS**, the City Council of the City of Fontana, State of California, and, Richmond American Homes of Maryland, Inc. ("Principal") have entered into an agreement dated \_\_\_\_\_ (the "Agreement") which is incorporated herein by reference, in which Principal has agreed to construct, install and complete certain designated public improvements; and

**WHEREAS**, under the terms of the Agreement, Principal is required to file before commencing work a good and sufficient payment bond with the City of Fontana to secure faithful performance of the terms of the Agreement.

**NOW, THEREFORE**, Principal and the undersigned as corporate surety, are held and firmly bound unto the City of Fontana in the sum of Two Hundred Eleven Thousand and 00/100ths (\$211,000.00), to assure faithful performance of all terms and conditions of the Agreement.

This bond shall be and remain in full force and effect, and shall indemnify and hold harmless the City of Fontana, its officers, agents and employees until all terms, covenants, provisions and conditions of the Agreement, and any agreed upon alterations or additions thereto, are fully and well met and performed by the Principal, his or its heirs, executors, administrators, successors or assigns, to the satisfaction of the City of Fontana in the time and manner specified in the Agreement. Upon fulfillment of the obligations set forth in the Agreement as specified above, this obligation bond shall become null and void.

As part of the obligation secured hereby, Principal shall pay, in addition to the face amount of this bond, all costs and reasonable expenses and fees including reasonable attorney's fees, incurred by the City of Fontana in successfully enforcing such obligation, as may be awarded by a court of competent jurisdiction in any judgement upon this bond.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement or the specifications accompanying it shall in any manner affect its obligation on this bond and surety hereby waives notice of any such change, alteration or addition.

IN WITNESS WHEREOF, this instrument, for all purposes as deemed an original, having been duly executed by the Principal and Surety, as evidenced by the signatures of their duly authorized representatives whose signatures appear below, on this 27th day of August, 2021.

PRINCIPAL

Richmond American Homes of Maryland, Inc.,  
a Maryland corporation

By: [Signature]

Name: SONDRA HARRIS

Title: VICE PRESIDENT

(NOTARIZATION AND SEAL)

SURETY

Argonaut Insurance Company

[Signature]

Richard H. Mitchell, Attorney-in-Fact

CA License No. 0H56218

(NOTARIZATION AND SEAL)

**NOTE:** Please Attach Notary  
Acknowledgement and  
Power of Attorney.

(Affix Seal)

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT****Civil Code § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of AlabamaCounty of JeffersonOn August 27, 2021 before me, Courtney Hitt Weiss, Notary Public  
Date Name and Title of Notarypersonally appeared Richard H. Mitchell, Attorney-in-Fact  
Name and or Names 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 Courtney Hitt WeissMy commission expires: November 15, 2022

Place Notary Public Seal Above

**OPTIONAL**

Though the information below is not required by law, it may prove valuable to the persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

**Description of Attached Document**

Title or Type of Document \_\_\_\_\_

Document Date \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- ☐ Individual  
☐ Corporate Officer – Title(s): \_\_\_\_\_  
☐ Partner - ☐ Limited ☐ General  
☐ Guardian or Conservator  
☒ Attorney-in-Fact  
☐ Trustee  
☐ Other: \_\_\_\_\_

Signer is representing \_\_\_\_\_  
 Argonaut  
 Insurance Company

RIGHT THUMBPRINT  
OF SIGNER  
Top of thumb

- ☐ Individual  
☐ Corporate Officer – Title(s): \_\_\_\_\_  
☐ Partner - ☐ Limited ☐ General  
☐ Guardian or Conservator  
☐ Attorney-in-Fact  
☐ Trustee  
☐ Other: \_\_\_\_\_

Signer is representing \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER  
Top of thumb

**Argonaut Insurance Company**  
**Deliveries Only: 225 W. Washington, 24th Floor**  
**Chicago, IL 60606**

**United States Postal Service: P.O. Box 469011, San Antonio, TX 78246**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the Argonaut Insurance Company, a Corporation duly organized and existing under the laws of the State of Illinois and having its principal office in the County of Cook, Illinois does hereby nominate, constitute and appoint:

Mark W. Edwards II, Robert R. Freel, Alisa B. Ferris, Jeffrey M. Wilson, Robert M. Verdin, Richard H. Mitchell, Anna Childress

Their true and lawful agent(s) and attorney(s)-in-fact, each in their separate capacity if more than one is named above, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed any and all bonds, contracts, agreements of indemnity and other undertakings in suretyship provided, however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

\$95,000,000.00

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of Argonaut Insurance Company:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the Company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the Argonaut Insurance Company, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

IN WITNESS WHEREOF, Argonaut Insurance Company has caused its official seal to be hereunto affixed and these presents to be signed by its duly authorized officer on the 1st day of June, 2021.

Argonaut Insurance Company

STATE OF TEXAS

COUNTY OF HARRIS SS:

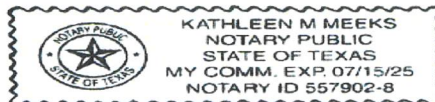


by: \_\_\_\_\_

Joshua C. Betz, Senior Vice President

On this 1st day of June, 2021 A.D., before me, a Notary Public of the State of Texas, in and for the County of Harris, duly commissioned and qualified, came THE ABOVE OFFICER OF THE COMPANY, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of same, and being by me duly sworn, deposed and said that he is the officer of the said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said corporation, and that Resolution adopted by the Board of Directors of said Company, referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the County of Harris, the day and year first above written.



*Kathleen M. Meeks*

(Notary Public)

I, the undersigned Officer of the Argonaut Insurance Company, Illinois Corporation, do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand, and affixed the Seal of said Company, on the 27th day of August, 2021.



*James Bluzard*

James Bluzard, Vice President-Surety

Bond No. SUR0067028

Premium \$ Included with Performance Bond

**SECURITY BOND FOR LABOR AND MATERIALS OF  
SUBDIVISION AGREEMENT**

Tract Map No.: 17039

WHEREAS, the City Council of the City of Fontana, State of California, and Richmond American Homes of Maryland, Inc., ("Principal") have entered into an agreement dated \_\_\_\_\_, (the "Agreement") which is incorporated herein by reference, in which Principal has agreed to construct, install and completed certain designated public improvements; and

WHEREAS, under the terms of the Agreement, Principal is required to file before commencing work a good and sufficient payment bond with the City of Fontana to secure the claims allowed in California Civil Code Sections 3082 et seq.

NOW, THEREFORE, Principal and the undersigned as corporate surety, are held firmly bound unto the City of Fontana and all contractors, subcontractors, laborers, material men and other persons employed in the performance of the Agreement and referred to in the above referenced sections of the Code of Civil Procedure in the sum of Two Hundred Eleven Thousand and 00/100ths (\$211,000.00) materials furnished or labor performed of any kind under the Agreement, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that said surety will pay the sum in an amount not exceeding this amount herein set forth above, and in the event legal action is brought upon this bond, the surety will pay, in addition to the face amount of this bond, such costs and reasonable expenses and fees, including reasonable attorney's fees, incurred in successfully enforcing this obligation, as may be awarded and fixed by a court of competent jurisdiction in any judgement entered.

It is hereby expressly stipulated and agreed that this bond shall insure to the benefit of all persons, companies, and corporations entitled to file claims pursuant to Section 3082 et sec. of the California Civil Code.

This bond shall be and remain in full force and effect until all terms and conditions of the Agreement are fully met and performed by the Principal, his or its heirs, executors, administrators, successors or assigns, to the satisfaction of the City of Fontana. Upon fulfillment of the obligations set forth in the Agreement as specified above, this obligation bond shall become null and void.

The surety hereby stipulates and agrees that no change, extension of time, alteration to the terms of the Agreement or the specifications accompanying it shall in any manner affect its obligation on this bond and surety hereby waives notice of any such change, alteration or addition.



**IN WITNESS WHEREOF**, this instrument, for all purposes be deemed an original having been duly executed by the Principal and Surety, as evidenced by the signatures of their duly authorized representatives whose signatures appear below, on this 27th day of August, 2021.

**PRINCIPAL**

Richmond American Homes of Maryland, Inc.,  
a Maryland corporation

By: 

Name: SONDRA HARRIS

Title: VICE PRESIDENT

(NOTARIZATION AND SEAL)

**SURETY**

Argonaut Insurance Company



Richard H. Mitchell, Attorney-in-Fact

CA License No. 0H56218

(NOTARIZATION AND SEAL)

**NOTE:** Please Attached Notary  
Acknowledgement and  
Power of Attorney

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

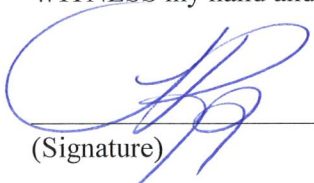
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the **document** to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

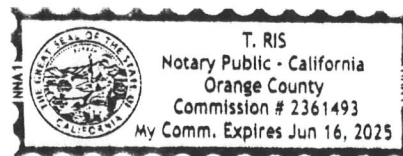
State of California                                 )  
County of Orange                                 )

On August 31, 2021, before me, T Ris, Notary Public, personally appeared Sondra Harris, 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)



(Affix Seal)



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT****Civil Code § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of AlabamaCounty of JeffersonOn August 27, 2021 before me, Courtney Hitt Weiss, Notary Public  
Date Name and Title of Notarypersonally appeared Richard H. Mitchell, Attorney-in-Fact  
Name and or Names 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 Courtney Hitt WeissMy commission expires: November 15, 2022 Notary Public Signature

Place Notary Public Seal Above

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to the persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document \_\_\_\_\_

Document Date \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- ☐ Individual  
☐ Corporate Officer – Title(s): \_\_\_\_\_  
☐ Partner - ☐ Limited ☐ General  
☐ Guardian or Conservator  
☒ Attorney-in-Fact  
☐ Trustee  
☐ Other: \_\_\_\_\_

Signer is representing \_\_\_\_\_  
 Argonaut  
 Insurance Company

RIGHT THUMBPRINT  
OF SIGNER  
Top of thumb

- ☐ Individual  
☐ Corporate Officer – Title(s): \_\_\_\_\_  
☐ Partner - ☐ Limited ☐ General  
☐ Guardian or Conservator  
☐ Attorney-in-Fact  
☐ Trustee  
☐ Other: \_\_\_\_\_

Signer is representing \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER  
Top of thumb

**Argonaut Insurance Company**  
**Deliveries Only: 225 W. Washington, 24th Floor**  
**Chicago, IL 60606**

**United States Postal Service: P.O. Box 469011, San Antonio, TX 78246**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the Argonaut Insurance Company, a Corporation duly organized and existing under the laws of the State of Illinois and having its principal office in the County of Cook, Illinois does hereby nominate, constitute and appoint:

Mark W. Edwards II, Robert R. Freel, Alisa B. Ferris, Jeffrey M. Wilson, Robert M. Verdin, Richard H. Mitchell, Anna Childress

Their true and lawful agent(s) and attorney(s)-in-fact, each in their separate capacity if more than one is named above, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed any and all bonds, contracts, agreements of indemnity and other undertakings in suretyship provided, however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

\$95,000,000.00

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of Argonaut Insurance Company:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the Company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the Argonaut Insurance Company, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

IN WITNESS WHEREOF, Argonaut Insurance Company has caused its official seal to be hereunto affixed and these presents to be signed by its duly authorized officer on the 1st day of June, 2021.

Argonaut Insurance Company



by:

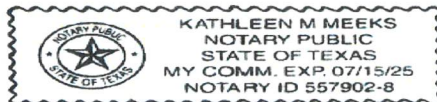
Joshua C. Betz, Senior Vice President

STATE OF TEXAS

COUNTY OF HARRIS SS:

On this 1st day of June, 2021 A.D., before me, a Notary Public of the State of Texas, in and for the County of Harris, duly commissioned and qualified, came THE ABOVE OFFICER OF THE COMPANY, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of same, and being by me duly sworn, deposed and said that he is the officer of the said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said corporation, and that Resolution adopted by the Board of Directors of said Company, referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the County of Harris, the day and year first above written.



(Notary Public)

I, the undersigned Officer of the Argonaut Insurance Company, Illinois Corporation, do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand, and affixed the Seal of said Company, on the 27th day of August, 2021.



James Bluzard, Vice President-Surety

Bond No. SUR0067028  
 Premium \$ 148.00

**SUBDIVISION WARRANTY OBLIGATION BOND**

**Tract Map No.:** 17039

**WHEREAS**, The City Council of the City of Fontana, State of California, and, Richmond American Homes of Maryland, Inc., ("Principal") have entered into an agreement dated \_\_\_\_\_ (the "Agreement") which is incorporated herein by referenced, in which Principal has agreed to warrant and guarantee the installation and maintenance of certain designated public improvements; and

**WHEREAS**, under the terms of the Agreement, Principal is required to **file before acceptance of improvements** by the City of Fontana a good and sufficient payment bond with the City of Fontana to secure the performance of its warranty and guarantee obligation under the Agreement.

**NOW, THEREFORE**, Principal and the undersigned as corporate surety, are held firmly bound unto the City of Fontana in the sum of Forty Two Thousand Two Hundred and 00/100ths (\$42,200.00) to secure the warranty and guarantee of Principal against any defective work or labor or material furnished in connection with the installation and maintenance of the public improvements required by the Agreement.

This bond shall be and remain in full force and effect, and shall indemnify and hold harmless the City of Fontana, its officers, agents and employees until all warranty or guarantee time periods required under the Agreement following performance of all terms, covenants, provisions and conditions of the Agreement, and any agreed upon alterations or additions thereto have expired as to the Principal, his or its heirs, executors, administrators, successors or assigns. Upon fulfillment of the obligations set forth in the Agreement as specified above, this obligation bond shall become null and void.

As a part of the obligation secured hereby, Principal shall pay, in addition to the face amount of this bond, all costs and reasonable expenses and fees including reasonable attorney's fees incurred by the City of Fontana in successfully enforcing this obligation, as may be awarded by a court of competent jurisdiction in any judgement upon this bond.

The surety hereby stipulates and agrees that no change, extension or time, alteration or addition to the terms of the Agreement or the specifications accompanying it shall in any manner affect its obligation on this bond and surety hereby waives notice of any such change, alteration or addition.

**IN WITNESS WHEREOF**, this instrument, for all purposes be deemed an original, having been duly executed by the Principal and Surety, as evidenced by the signatures of their duly authorized representatives whose signatures appear below, on this 27th day of August, 2021.

PRINCIPAL

Richmond American Homes of Maryland, Inc.,  
a Maryland corporation

By: [Signature]

Name: SONDRA HARRIS

Title: VICE PRESIDENT

(NOTARIZATION AND SEAL)

SURETY

Argonaut Insurance Company

[Signature]

Richard H. Mitchell, Attorney-in-Fact  
CA License No. 0H56218

(NOTARIZATION AND SEAL)

**NOTE:** Please Attached Notary  
Acknowledgement and  
Power of Attorney

(Affix Seal)

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of Alabama

County of Jefferson

On August 27, 2021 before me, Courtney Hitt Weiss, Notary Public  
Date Name and Title of Notary

personally appeared Richard H. Mitchell, Attorney-in-Fact  
Name and or Names 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 Courtney Hitt Weiss  
Notary Public Signature

My commission expires: November 15, 2022

Place Notary Public Seal Above

OPTIONAL

*Though the information below is not required by law, it may prove valuable to the persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

## Description of Attached Document

Title or Type of Document \_\_\_\_\_

Document Date \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- ☐ Individual  
☐ Corporate Officer – Title(s): \_\_\_\_\_  
☐ Partner - ☐ Limited ☐ General  
☐ Guardian or Conservator  
☒ Attorney-in-Fact  
☐ Trustee  
☐ Other: \_\_\_\_\_

Signer is representing \_\_\_\_\_  
Argonaut  
Insurance Company

RIGHT THUMBPRINT  
OF SIGNER  
Top of thumb

- ☐ Individual  
☐ Corporate Officer – Title(s): \_\_\_\_\_  
☐ Partner - ☐ Limited ☐ General  
☐ Guardian or Conservator  
☐ Attorney-in-Fact  
☐ Trustee  
☐ Other: \_\_\_\_\_

Signer is representing \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER  
Top of thumb



**Argonaut Insurance Company**  
**Deliveries Only: 225 W. Washington, 24th Floor**  
**Chicago, IL 60606**

**United States Postal Service: P.O. Box 469011, San Antonio, TX 78246**  
**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the Argonaut Insurance Company, a Corporation duly organized and existing under the laws of the State of Illinois and having its principal office in the County of Cook, Illinois does hereby nominate, constitute and appoint:

Mark W. Edwards II, Robert R. Freel, Alisa B. Ferris, Jeffrey M. Wilson, Robert M. Verdin, Richard H. Mitchell, Anna Childress

Their true and lawful agent(s) and attorney(s)-in-fact, each in their separate capacity if more than one is named above, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed any and all bonds, contracts, agreements of indemnity and other undertakings in suretyship provided, however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

\$95,000,000.00

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of Argonaut Insurance Company:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the Company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the Argonaut Insurance Company, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

IN WITNESS WHEREOF, Argonaut Insurance Company has caused its official seal to be hereunto affixed and these presents to be signed by its duly authorized officer on the 1st day of June, 2021.

Argonaut Insurance Company



by: \_\_\_\_\_

*Joshua C. Betz*

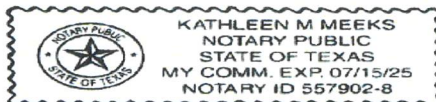
Joshua C. Betz, Senior Vice President

STATE OF TEXAS

COUNTY OF HARRIS SS:

On this 1st day of June, 2021 A.D., before me, a Notary Public of the State of Texas, in and for the County of Harris, duly commissioned and qualified, came THE ABOVE OFFICER OF THE COMPANY, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of same, and being by me duly sworn, deposed and said that he is the officer of the said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said corporation, and that Resolution adopted by the Board of Directors of said Company, referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the County of Harris, the day and year first above written.



*Kathleen M. Meeks*

(Notary Public)

I, the undersigned Officer of the Argonaut Insurance Company, Illinois Corporation, do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand, and affixed the Seal of said Company, on the 27th day of August, 2021.



*James Bluzard*

James Bluzard, Vice President-Surety



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-866

**Agenda #:** D.

**Agenda Date:** 9/28/2021

**Category:** Consent Calendar

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**FROM:**

Public Works

**SUBJECT:**

Apply and Accept Reimbursement from Transportation Development Act (TDA) Funding.

**RECOMMENDATION:**

Authorize the Public Works Department to apply and accept reimbursement funding from the Transportation Development Act (TDA) funding for Bike and Pedestrian Route Maintenance.

**COUNCIL GOALS:**

- To invest in the city's infrastructure (streets, sewers, parks, etc.) by maintaining and improving the city's existing infrastructure.
- To concentrate on inter-governmental relations by pursuing financial participation from county, state and federal governments.

**DISCUSSION:**

The City of Fontana Engineering Department applied for a grant from Transportation Development Act (TDA) funding through the San Bernardino County Transportation Authority (SBCTA). The Bike and Pedestrian Route Maintenance for AB Miller High School project was completed as part of this grant by Public Works Department.

In October 2017, the City of Fontana was awarded \$50,000, however only \$36,708 was expensed, and the City provided a local match funding of \$82,088, for a total project cost of \$118,796

**FISCAL IMPACT:**

The amount of \$36,708 or 30.9% of the total project cost is eligible for reimbursement for this program. The funds shall be placed in Fund 301-Grants, Project Number 38103369.301.A.5352, Routine Maintenance AB Miller project.

**MOTION:**

Approve staff recommendation.





# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-889

**Agenda #:** E.

**Agenda Date:** 9/28/2021

**Category:** Consent Calendar

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**FROM:**

Police Department

**SUBJECT:**

Approve Agreements between City of Fontana and the Enterprise Fleet Management Inc.

**RECOMMENDATION:**

1. Approve the City Manager or his assigned designee to sign the Master Equity Lease Agreement, Maintenance Agreement and a Maintenance Management and Fleet Rental Agreement with Enterprise Fleet Management, Inc., for five test vehicles.

2. Authorize an approved list of Authorized Signers to allow designated staff to execute Enterprise Schedules to the Master Lease Agreement for individual motor vehicles together with any other necessary documents in connection with those Schedules.

**COUNCIL GOALS:**

- 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:**

The City of Fontana has historically purchased and owned all fleet vehicles and equipment. The City maintains a fleet of vehicles and equipment for use by various City departments, which include light, medium, and heavy-duty vehicles.

To reduce cost and increase fleet efficiency, staff researched leasing options and found that the implementation of a leasing program can reduce operating costs (maintenance and repairs). A leasing program will also result in less vehicle downtime since the vehicles are more reliable and have warranties for the duration of the leasing period. Other nearby cities including Corona and Redlands have successfully implemented programs with tangible results. After review of current year fleet costs which include capital recovery, direct cost and indirect cost of operating and maintenance the leasing program will begin to recognize savings the first year.

The City and Enterprise have discussed a vehicle leasing and replacement trial program. The trial would allow the city to replace five (5) vehicles in the 2021-2022 fiscal year. The five vehicles selected are based from the City of Fontana Fleet Services replacement list. To begin the implementation of the leasing program already collected capital recovery funds, annual operating costs, and maintenance funds (excluding fuel) will need to be reallocated to the Police Department to cover lease expenses.

The cost of the first year (Fiscal Year 2021-2022) of the vehicle replacement, maintenance program, and physical damage program would be approximately \$ 20,514.00. The service maintenance (when possible) will allow for the vehicles to be serviced within the City of Fontana service centers. This will keep revenues within the city. Annual Lease payment estimate total is \$41,027 (\$35,314 vehicle lease and \$5,713 for the maintenance program and physical damage coverage). And additional expense that would be included in the cost is the change-over (installation of police radio and safety equipment). Estimated change-over cost is \$ 10,000 per vehicle (\$ 50,000). The total cost for the trial vehicles (five-year lease agreement, maintenance program, physical damage coverage and change-over) will be \$ 255,135.

This program is an “open-end” lease structure, which would allow the city to replace more vehicles with less upfront capital. Some of the program highlights are listed below:

- The City has all rights of ownership and can equip the vehicles with aftermarket parts (utility bodies, tool box, etc.).
- Leasing would provide the opportunity to minimize the amount of large capital outlays necessary for purchasing vehicles.
- The City would establish a more proactive fleet replacement plan to acquire vehicles on a more consistent basis and maintain a new fleet.
- The City would have a wider selection of vehicles which is necessary for the Police Department Special Operations Unit.

At the end of the individual lease term (5 years) the City will have the option to purchase the vehicle at market value. Staff will continue to evaluate and monitor the program to determine the benefits of leasing vehicles. As long as the leasing program is in the best interest of the city additional vehicles may be added to the leasing program for various city departments. All necessary paperwork and budget adjustments will be submitted on a quarterly basis as needed.

Per the City’s purchasing guidelines, and agreement with Enterprise Fleet Management, Inc., can be executed by piggybacking the existing Sourcewell (formerly NJPA) request for proposals for Fleet Management Services (RFP#060618) Sourcewell is a government agency that has been providing cooperative purchasing programs throughout North America for over 40 years. The City of Fontana is a current member of the Sourcewell, and Enterprise has been awarded a contract with Sourcewell through a competitive process for Fleet Management Services, the city can enter into an agreement with Enterprise pursuant to Sourcewell Contract # 060618-EFM.

#### **FISCAL IMPACT:**

For the lease of the identified five (5) vehicles staff is requesting authorization to transfer from Fleet Services to the Police Department budget Unit funds as follows:

Capital Recovery and Operating and Maintenance funds already collected in the amount of \$ 220,970. The five (5) vehicles currently in service (unit ID numbers 7590, 9551, 9561, 9584, and 9585) will be sold by Enterprise Fleet Management, Inc. for a service fee of \$400.00 per vehicle. All remaining proceeds of the sale will be returned to the city to support the cost of the program. If sale proceeds do not cover the \$34,165 (difference between five-year lease agreement cost of \$255,135 and the already collected capital recovery funds of \$220,970) at that time an additional budget

adjustment will be requested from the General Fund.

The Police Department will continue to request General Fund (101) funds annually for fuel and capital recovery at a decreased cost from the current request from Public Works (Fleet). The amount necessary will be evaluated annually and adjusted appropriately.

Budget paperwork will be submitted to the Budget Office with FY 2021-2022 1<sup>st</sup> quarter adjustments.

**MOTION:**

Approve staff recommendation.

## MASTER EQUITY LEASE AGREEMENT

This Master Equity Lease Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, by and between Enterprise FM Trust, a Delaware statutory trust (“Lessor”), and the lessee whose name and address is set forth on the signature page below (“Lessee”).

**1. LEASE OF VEHICLES:** Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the vehicles (individually, a “Vehicle” and collectively, the “Vehicles”) described in the schedules from time to time delivered by Lessor to Lessee as set forth below (“Schedule(s)”) for the rentals and on the terms set forth in this Agreement and in the applicable Schedule. References to this “Agreement” shall include this Master Equity Lease Agreement and the various Schedules and addenda to this Master Equity Lease Agreement. Lessor will, on or about the date of delivery of each Vehicle to Lessee, send Lessee a Schedule covering the Vehicle, which will include, among other things, a description of the Vehicle, the lease term and the monthly rental and other payments due with respect to the Vehicle. The terms contained in each such Schedule will be binding on Lessee unless Lessee objects in writing to such Schedule within ten (10) days after the date of delivery of the Vehicle covered by such Schedule. Lessor is the sole legal owner of each Vehicle. This Agreement is a lease only and Lessee will have no right, title or interest in or to the Vehicles except for the use of the Vehicles as described in this Agreement. This Agreement shall be treated as a true lease for federal and applicable state income tax purposes with Lessor having all benefits of ownership of the Vehicles. It is understood and agreed that Enterprise Fleet Management, Inc. or an affiliate thereof (together with any subservicer, agent, successor or assign as servicer on behalf of Lessor, “Servicer”) may administer this Agreement on behalf of Lessor and may perform the service functions herein provided to be performed by Lessor.

**2. TERM:** The term of this Agreement (“Term”) for each Vehicle begins on the date such Vehicle is delivered to Lessee (the “Delivery Date”) and, unless terminated earlier in accordance with the terms of this Agreement, continues for the “Lease Term” as described in the applicable Schedule.

### **3. RENT AND OTHER CHARGES:**

(a) Lessee agrees to pay Lessor monthly rental and other payments according to the Schedules and this Agreement. The monthly payments will be in the amount listed as the “Total Monthly Rental Including Additional Services” on the applicable Schedule (with any portion of such amount identified as a charge for maintenance services under Section 4 of the applicable Schedule being payable to Lessor as agent for Enterprise Fleet Management, Inc.) and will be due and payable in advance on the first day of each month. If a Vehicle is delivered to Lessee on any day other than the first day of a month, monthly rental payments will begin on the first day of the next month. In addition to the monthly rental payments, Lessee agrees to pay Lessor a pro-rated rental charge for the number of days that the Delivery Date precedes the first monthly rental payment date. A portion of each monthly rental payment, being the amount designated as “Depreciation Reserve” on the applicable Schedule, will be considered as a reserve for depreciation and will be credited against the Delivered Price of the Vehicle for purposes of computing the Book Value of the Vehicle under Section 3(c). Lessee agrees to pay Lessor the “Total Initial Charges” set forth in each Schedule on the due date of the first monthly rental payment under such Schedule. Lessee agrees to pay Lessor the “Service Charge Due at Lease Termination” set forth in each Schedule at the end of the applicable Term (whether by reason of expiration, early termination or otherwise).

(b) In the event the Term for any Vehicle ends prior to the last day of the scheduled Term, whether as a result of a default by Lessee, a Casualty Occurrence or any other reason, the rentals and management fees paid by Lessee will be recalculated in accordance with the rule of 78’s and the adjusted amount will be payable by Lessee to Lessor on the termination date.

(c) Lessee agrees to pay Lessor within thirty (30) days after the end of the Term for each Vehicle, additional rent equal to the excess, if any, of the Book Value of such Vehicle over the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule. If the Book Value of such Vehicle is less than the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule, Lessor agrees to pay such deficiency to Lessee as a terminal rental adjustment within thirty (30) days after the end of the applicable Term. Notwithstanding the foregoing, if (i) the Term for a Vehicle is greater than forty-eight (48) months (including any extension of the Term for such Vehicle), (ii) the mileage on a Vehicle at the end of the Term is greater than 15,000 miles per year on average (prorated on a daily basis) (i.e., if the mileage on a Vehicle with a Term of thirty-six (36) months is greater than 45,000 miles) or (iii) in the sole judgment of Lessor, a Vehicle has been subject to damage or any abnormal or excessive wear and tear, the calculations described in the two immediately preceding sentences shall be made without giving effect to clause (ii) in each such sentence. The “Book Value” of a Vehicle means the sum of (i) the “Delivered Price” of the Vehicle as set forth in the applicable Schedule minus (ii) the total Depreciation Reserve paid by Lessee to Lessor with respect to such Vehicle plus (iii) all accrued and unpaid rent and/or other amounts owed by Lessee with respect to such Vehicle.

(d) Any security deposit of Lessee will be returned to Lessee at the end of the applicable Term, except that the deposit will first be applied to any losses and/or damages suffered by Lessor as a result of Lessee’s breach of or default under this Agreement and/or to any other amounts then owed by Lessee to Lessor.

(e) Any rental payment or other amount owed by Lessee to Lessor which is not paid within twenty (20) days after its due date will accrue interest, payable on demand of Lessor, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate permitted by applicable law (the “Default Rate”).

(f) If Lessee fails to pay any amount due under this Agreement or to comply with any of the covenants contained in this Agreement, Lessor, Servicer or any other agent of Lessor may, at its option, pay such amounts or perform such covenants and all sums paid or incurred by Lessor in connection therewith will be repayable by Lessee to Lessor upon demand together with interest thereon at the Default Rate.

(g) Lessee's obligations to make all payments of rent and other amounts under this Agreement are absolute and unconditional and such payments shall be made in immediately available funds without setoff, counterclaim or deduction of any kind. Lessee acknowledges and agrees that neither any Casualty Occurrence to any Vehicle nor any defect, unfitness or lack of governmental approval in, of, or with respect to, any Vehicle regardless of the cause or consequence nor any breach by Enterprise Fleet Management, Inc. of any maintenance agreement between Enterprise Fleet Management, Inc. and Lessee covering any Vehicle regardless of the cause or consequence will relieve Lessee from the performance of any of its obligations under this Agreement, including, without limitation, the payment of rent and other amounts under this Agreement.

**4. USE AND SURRENDER OF VEHICLES:** Lessee agrees to allow only duly authorized, licensed and insured drivers to use and operate the Vehicles. Lessee agrees to comply with, and cause its drivers to comply with, all laws, statutes, rules, regulations and ordinances and the provisions of all insurance policies affecting or covering the Vehicles or their use or operation. Lessee agrees to keep the Vehicles free of all liens, charges and encumbrances. Lessee agrees that in no event will any Vehicle be used or operated for transporting hazardous substances or persons for hire, for any illegal purpose or to pull trailers that exceed the manufacturer's trailer towing recommendations. Lessee agrees that no Vehicle is intended to be or will be utilized as a "school bus" as defined in the Code of Federal Regulations or any applicable state or municipal statute or regulation. Lessee agrees not to remove any Vehicle from the continental United States without first obtaining Lessor's written consent. At the expiration or earlier termination of this Agreement with respect to each Vehicle, or upon demand by Lessor made pursuant to Section 14, Lessee at its risk and expense agrees to return such Vehicle to Lessor at such place and by such reasonable means as may be designated by Lessor. If for any reason Lessee fails to return any Vehicle to Lessor as and when required in accordance with this Section, Lessee agrees to pay Lessor additional rent for such Vehicle at twice the normal pro-rated daily rent. Acceptance of such additional rent by Lessor will in no way limit Lessor's remedies with respect to Lessee's failure to return any Vehicle as required hereunder.

**5. COSTS, EXPENSES, FEES AND CHARGES:** Lessee agrees to pay all costs, expenses, fees, charges, fines, tickets, penalties and taxes (other than federal and state income taxes on the income of Lessor) incurred in connection with the titling, registration, delivery, purchase, sale, rental, use or operation of the Vehicles during the Term. If Lessor, Servicer or any other agent of Lessor incurs any such costs or expenses, Lessee agrees to promptly reimburse Lessor for the same.

**6. LICENSE AND CHARGES:** Each Vehicle will be titled and licensed in the name designated by Lessor at Lessee's expense. Certain other charges relating to the acquisition of each Vehicle and paid or satisfied by Lessor have been capitalized in determining the monthly rental, treated as an initial charge or otherwise charged to Lessee. Such charges have been determined without reduction for trade-in, exchange allowance or other credit attributable to any Lessor-owned vehicle.

**7. REGISTRATION PLATES, ETC.:** Lessee agrees, at its expense, to obtain in the name designated by Lessor all registration plates and other plates, permits, inspections and/or licenses required in connection with the Vehicles, except for the initial registration plates which Lessor will obtain at Lessee's expense. The parties agree to cooperate and to furnish any and all information or documentation, which may be reasonably necessary for compliance with the provisions of this Section or any federal, state or local law, rule, regulation or ordinance. Lessee agrees that it will not permit any Vehicle to be located in a state other than the state in which such Vehicle is then titled for any continuous period of time that would require such Vehicle to become subject to the titling and/or registration laws of such other state.

#### **8. MAINTENANCE OF AND IMPROVEMENTS TO VEHICLES:**

(a) Lessee agrees, at its expense, to (i) maintain the Vehicles in good condition, repair, maintenance and running order and in accordance with all manufacturer's instructions and warranty requirements and all legal requirements and (ii) furnish all labor, materials, parts and other essentials required for the proper operation and maintenance of the Vehicles. Any alterations, additions, replacement parts or improvements to a Vehicle will become and remain the property of Lessor and will be returned with such Vehicle upon such Vehicle's return pursuant to Section 4. Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, Lessee shall have the right to remove any additional equipment installed by Lessee on a Vehicle prior to returning such Vehicle to Lessor under Section 4. The value of such alterations, additions, replacement parts and improvements will in no instance be regarded as rent. Without the prior written consent of Lessor, Lessee will not make any alterations, additions, replacement parts or improvements to any Vehicle which detract from its economic value or functional utility. Lessor will not be required to make any repairs or replacements of any nature or description with respect to any Vehicle, to maintain or repair any Vehicle or to make any expenditure whatsoever in connection with any Vehicle or this Agreement.

(b) Lessor and Lessee acknowledge and agree that if Section 4 of a Schedule includes a charge for maintenance, (i) the Vehicle(s) covered by such Schedule are subject to a separate maintenance agreement between Enterprise Fleet Management, Inc. and Lessee and (ii) Lessor shall have no liability or responsibility for any failure of Enterprise Fleet Management, Inc. to perform any of its obligations thereunder or to pay or reimburse Lessee for its payment of any costs and expenses incurred in connection with the maintenance or repair of any such Vehicle(s).

#### **9. SELECTION OF VEHICLES AND DISCLAIMER OF WARRANTIES:**

(a) LESSEE ACCEPTANCE OF DELIVERY AND USE OF EACH VEHICLE WILL CONCLUSIVELY ESTABLISH THAT SUCH VEHICLE IS OF A SIZE, DESIGN, CAPACITY, TYPE AND MANUFACTURE SELECTED BY LESSEE AND THAT SUCH VEHICLE IS IN GOOD CONDITION AND REPAIR AND IS SATISFACTORY IN ALL RESPECTS AND IS SUITABLE FOR LESSEE'S PURPOSE. LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER OF ANY VEHICLE OR AN AGENT OF A MANUFACTURER OF ANY VEHICLE.

(b) LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY VEHICLE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. THE VEHICLES ARE LEASED "AS IS," "WITH ALL FAULTS." All warranties made by any supplier, vendor and/or manufacturer of a Vehicle are hereby assigned by Lessor to Lessee for the applicable Term and Lessee's only remedy, if any, is against the supplier, vendor or manufacturer of the Vehicle.

(c) None of Lessor, Servicer or any other agent of Lessor will be liable to Lessee for any liability, claim, loss, damage (direct, incidental or consequential) or expense of any kind or nature, caused directly or indirectly, by any Vehicle or any inadequacy of any Vehicle for any purpose or any defect (latent or patent) in any Vehicle or the use or maintenance of any Vehicle or any repair, servicing or adjustment of or to any Vehicle, or any delay in providing or failure to provide any Vehicle, or any interruption or loss of service or use of any Vehicle, or any loss of business or any damage whatsoever and however caused. In addition, none of Lessor, Servicer or any other agent of Lessor will have any liability to Lessee under this Agreement or under any order authorization form executed by Lessee if Lessor is unable to locate or purchase a Vehicle ordered by Lessee or for any delay in delivery of any Vehicle ordered by Lessee.

**10. RISK OF LOSS:** Lessee assumes and agrees to bear the entire risk of loss of, theft of, damage to or destruction of any Vehicle from any cause whatsoever ("Casualty Occurrence"). In the event of a Casualty Occurrence to a Vehicle, Lessee shall give Lessor prompt notice of the Casualty Occurrence and thereafter will place the applicable Vehicle in good repair, condition and working order; provided, however, that if the applicable Vehicle is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair (a "Totaled Vehicle"), Lessee agrees to pay Lessor no later than the date thirty (30) days after the date of the Casualty Occurrence the amounts owed under Sections 3(b) and 3(c) with respect to such Totaled Vehicle. Upon such payment, this Agreement will terminate with respect to such Totaled Vehicle.

#### **11. INSURANCE:**

(a) Lessee agrees to purchase and maintain in force during the Term, insurance policies in at least the amounts listed below covering each Vehicle, to be written by an insurance company or companies satisfactory to Lessor, insuring Lessee, Lessor and any other person or entity designated by Lessor against any damage, claim, suit, action or liability:

(i) Commercial Automobile Liability Insurance (including Uninsured/Underinsured Motorist Coverage and No-Fault Protection where required by law) for the limits listed below (Note - \$2,000,000 Combined Single Limit Bodily Injury and Property Damage with No Deductible is required for each Vehicle capable of transporting more than 8 passengers):

<u>State of Vehicle Registration</u>	<u>Coverage</u>
Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont	\$1,000,000 Combined Single Limit Bodily Injury and Property Damage - No Deductible
Florida	\$500,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible
All Other States	\$300,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible

(ii) Physical Damage Insurance (Collision & Comprehensive): Actual cash value of the applicable Vehicle. Maximum deductible of \$500 per occurrence - Collision and \$250 per occurrence - Comprehensive).

If the requirements of any governmental or regulatory agency exceed the minimums stated in this Agreement, Lessee must obtain and maintain the higher insurance requirements. Lessee agrees that each required policy of insurance will by appropriate endorsement or otherwise name Lessor and any other person or entity designated by Lessor as additional insureds and loss payees, as their respective interests may appear. Further, each such insurance policy must provide the following: (i) that the same may not be cancelled, changed or modified until after the insurer has given to Lessor, Servicer and any other person or entity designated by Lessor at least thirty (30) days prior written notice of such proposed cancellation, change or modification, (ii) that no act or default of Lessee or any other person or entity shall affect the right of Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns to recover under such policy or policies of insurance in the event of any loss of or damage to any Vehicle and (iii) that the coverage is "primary coverage" for the protection of Lessee, Lessor, Servicer, any other agent of Lessor and their respective successors and assigns notwithstanding any other coverage carried by Lessee, Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns protecting against similar risks. Original certificates evidencing such coverage and naming Lessor, Servicer, any other agent of Lessor and any other person or entity designated by Lessor as additional insureds and loss payees shall be furnished to Lessor prior to the Delivery Date, and annually thereafter and/or as reasonably requested by Lessor from time to time. In the event of default, Lessee hereby appoints Lessor, Servicer and any other agent of Lessor as Lessee's attorney-in-fact to receive payment of, to endorse all checks and other documents and to take any other actions necessary to pursue insurance claims and recover payments if Lessee fails to do so. Any expense of Lessor, Servicer or any other agent of Lessor in adjusting or collecting insurance shall be borne by Lessee.

Lessee, its drivers, servants and agents agree to cooperate fully with Lessor, Servicer, any other agent of Lessor and any insurance carriers in the investigation, defense and prosecution of all claims or suits arising from the use or operation of any Vehicle. If any claim is made or action commenced for death, personal injury or property damage resulting from the ownership, maintenance, use or operation of any Vehicle, Lessee will promptly notify Lessor of such action or claim and forward to Lessor a copy of every demand, notice, summons or other process received in connection with such claim or action.

(b) Notwithstanding the provisions of Section 11(a) above: (i) if Section 4 of a Schedule includes a charge for physical damage waiver, Lessor agrees that (A) Lessee will not be required to obtain or maintain the minimum physical damage insurance (collision and comprehensive) required under Section 11(a) for the Vehicle(s) covered by such Schedule and (B) Lessor will assume the risk of physical damage (collision and comprehensive) to the Vehicle(s) covered by such Schedule; provided, however, that such physical damage waiver shall not apply to, and Lessee shall be and remain liable and responsible for, damage to a covered Vehicle caused by wear and tear or mechanical breakdown or failure, damage to or loss of any parts, accessories or components added to a covered Vehicle by



Lessee without the prior written consent of Lessor and/or damage to or loss of any property and/or personal effects contained in a covered Vehicle. In the event of a Casualty Occurrence to a covered Vehicle, Lessor may, at its option, replace, rather than repair, the damaged Vehicle with an equivalent vehicle, which replacement vehicle will then constitute the "Vehicle" for purposes of this Agreement; and (ii) if Section 4 of a Schedule includes a charge for commercial automobile liability enrollment, Lessor agrees that it will, at its expense, obtain for and on behalf of Lessee, by adding Lessee as an additional insured under a commercial automobile liability insurance policy issued by an insurance company selected by Lessor, commercial automobile liability insurance satisfying the minimum commercial automobile liability insurance required under Section 11(a) for the Vehicle(s) covered by such Schedule. Lessor may at any time during the applicable Term terminate said obligation to provide physical damage waiver and/or commercial automobile liability enrollment and cancel such physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least ten (10) days prior written notice. Upon such cancellation, insurance in the minimum amounts as set forth in 11(a) shall be obtained and maintained by Lessee at Lessee's expense. An adjustment will be made in monthly rental charges payable by Lessee to reflect any such change and Lessee agrees to furnish Lessor with satisfactory proof of insurance coverage within ten (10) days after mailing of the notice. In addition, Lessor may change the rates charged by Lessor under this Section 11(b) for physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least thirty (30) days prior written notice.

**12. INDEMNITY:** Lessee agrees to defend and indemnify Lessor, Servicer, any other agent of Lessor and their respective successors and assigns from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns may incur by reason of Lessee's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, or as a result of any loss, damage, theft or destruction of any Vehicle or related to or arising out of or in connection with the use, operation or condition of any Vehicle. The provisions of this Section 12 shall survive any expiration or termination of this Agreement.

**13. INSPECTION OF VEHICLES; ODOMETER DISCLOSURE; FINANCIAL STATEMENTS:** Lessee agrees to accomplish, at its expense, all inspections of the Vehicles required by any governmental authority during the Term. Lessor, Servicer, any other agent of Lessor and any of their respective successors or assigns will have the right to inspect any Vehicle at any reasonable time(s) during the Term and for this purpose to enter into or upon any building or place where any Vehicle is located. Lessee agrees to comply with all odometer disclosure laws, rules and regulations and to provide such written and signed disclosure information on such forms and in such manner as directed by Lessor. Providing false information or failure to complete the odometer disclosure form as required by law may result in fines and/or imprisonment. Lessee hereby agrees to promptly deliver to Lessor such financial statements and other financial information regarding Lessee as Lessor may from time to time reasonably request.

**14. DEFAULT; REMEDIES:** The following shall constitute events of default ("Events of Default") by Lessee under this Agreement: (a) if Lessee fails to pay when due any rent or other amount due under this Agreement and any such failure shall remain unremedied for ten (10) days; (b) if Lessee fails to perform, keep or observe any term, provision or covenant contained in Section 11 of this Agreement; (c) if Lessee fails to perform, keep or observe any other term, provision or covenant contained in this Agreement and any such failure shall remain unremedied for thirty (30) days after written notice thereof is given by Lessor, Servicer or any other agent of Lessor to Lessee; (d) any seizure or confiscation of any Vehicle or any other act (other than a Casualty Occurrence) otherwise rendering any Vehicle unsuitable for use (as determined by Lessor); (e) if any present or future guaranty in favor of Lessor of all or any portion of the obligations of Lessee under this Agreement shall at any time for any reason cease to be in full force and effect or shall be declared to be null and void by a court of competent jurisdiction, or if the validity or enforceability of any such guaranty shall be contested or denied by any guarantor, or if any guarantor shall deny that it, he or she has any further liability or obligation under any such guaranty or if any guarantor shall fail to comply with or observe any of the terms, provisions or conditions contained in any such guaranty; (f) the occurrence of a material adverse change in the financial condition or business of Lessee or any guarantor; or (g) if Lessee or any guarantor is in default under or fails to comply with any other present or future agreement with or in favor of Lessor, The Crawford Group, Inc. or any direct or indirect subsidiary of The Crawford Group, Inc.. For purposes of this Section 14, the term "guarantor" shall mean any present or future guarantor of all or any portion of the obligations of Lessee under this Agreement.

Upon the occurrence of any Event of Default, Lessor, without notice to Lessee, will have the right to exercise concurrently or separately (and without any election of remedies being deemed made), the following remedies: (a) Lessor may demand and receive immediate possession of any or all of the Vehicles from Lessee, without releasing Lessee from its obligations under this Agreement; if Lessee fails to surrender possession of the Vehicles to Lessor on default (or termination or expiration of the Term), Lessor, Servicer, any other agent of Lessor and any of Lessor's independent contractors shall have the right to enter upon any premises where the Vehicles may be located and to remove and repossess the Vehicles; (b) Lessor may enforce performance by Lessee of its obligations under this Agreement; (c) Lessor may recover damages and expenses sustained by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns by reason of Lessee's default including, to the extent permitted by applicable law, all costs and expenses, including court costs and reasonable attorneys' fees and expenses, incurred by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns in attempting or effecting enforcement of Lessor's rights under this Agreement (whether or not litigation is commenced) and/or in connection with bankruptcy or insolvency proceedings; (d) upon written notice to Lessee, Lessor may terminate Lessee's rights under this Agreement; (e) with respect to each Vehicle, Lessor may recover from Lessee all amounts owed by Lessee under Sections 3(b) and 3(c) of this Agreement (and, if Lessor does not recover possession of a Vehicle, (i) the estimated wholesale value of such Vehicle for purposes of Section 3(c) shall be deemed to be \$0.00 and (ii) the calculations described in the first two sentences of Section 3(c) shall be made without giving effect to clause (ii) in each such sentence); and/or (f) Lessor may exercise any other right or remedy which may be available to Lessor under the Uniform Commercial Code, any other applicable law or in equity. A termination of this Agreement shall occur only upon written notice by Lessor to Lessee. Any termination shall not affect Lessee's obligation to pay all amounts due for periods prior to the effective date of such termination or Lessee's obligation to pay any indemnities under this Agreement. All remedies of Lessor under this Agreement or at law or in equity are cumulative.

**15. ASSIGNMENTS:** Lessor may from time to time assign, pledge or transfer this Agreement and/or any or all of its rights and obligations under this Agreement to any person or entity. Lessee agrees, upon notice of any such assignment, pledge or transfer of any amounts due or to become due to Lessor under this Agreement to pay all such amounts to such assignee, pledgee or transferee. Any such assignee, pledgee or transferee of any rights or obligations of Lessor under this Agreement will have all of the rights and obligations that have been assigned to it. Lessee's rights and interest in and to the Vehicles are and will continue at all times to be subject and subordinate in all respects to any assignment, pledge or transfer now or hereafter executed by Lessor with or in favor of any such

assignee, pledgee or transferee, provided that Lessee shall have the right of quiet enjoyment of the Vehicles so long as no Event of Default under this Agreement has occurred and is continuing. Lessee acknowledges and agrees that the rights of any assignee, pledgee or transferee in and to any amounts payable by the Lessee under any provisions of this Agreement shall be absolute and unconditional and shall not be subject to any abatement whatsoever, or to any defense, setoff, counterclaim or recoupment whatsoever, whether by reason of any damage to or loss or destruction of any Vehicle or by reason of any defect in or failure of title of the Lessor or interruption from whatsoever cause in the use, operation or possession of any Vehicle, or by reason of any indebtedness or liability howsoever and whenever arising of the Lessor or any of its affiliates to the Lessee or to any other person or entity, or for any other reason.

Without the prior written consent of Lessor, Lessee may not assign, sublease, transfer or pledge this Agreement, any Vehicle, or any interest in this Agreement or in and to any Vehicle, or permit its rights under this Agreement or any Vehicle to be subject to any lien, charge or encumbrance. Lessee's interest in this Agreement is not assignable and cannot be assigned or transferred by operation of law. Lessee will not transfer or relinquish possession of any Vehicle (except for the sole purpose of repair or service of such Vehicle) without the prior written consent of Lessor.

**16. MISCELLANEOUS:** This Agreement contains the entire understanding of the parties. This Agreement may only be amended or modified by an instrument in writing executed by both parties. Lessor shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Agreement and no waiver whatsoever shall be valid unless in writing and signed by Lessor and then only to the extent therein set forth. A waiver by Lessor of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy, which Lessor would otherwise have on any future occasion. If any term or provision of this Agreement or any application of any such term or provision is invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision will not be affected thereby. Giving of all notices under this Agreement will be sufficient if mailed by certified mail to a party at its address set forth below or at such other address as such party may provide in writing from time to time. Any such notice mailed to such address will be effective one (1) day after deposit in the United States mail, duly addressed, with certified mail, postage prepaid. Lessee will promptly notify Lessor of any change in Lessee's address. This Agreement may be executed in multiple counterparts (including facsimile and pdf counterparts), but the counterpart marked "ORIGINAL" by Lessor will be the original lease for purposes of applicable law. All of the representations, warranties, covenants, agreements and obligations of each Lessee under this Agreement (if more than one) are joint and several.

**17. SUCCESSORS AND ASSIGNS; GOVERNING LAW:** Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

**18. NON-PETITION:** Each party hereto hereby covenants and agrees that, prior to the date which is one year and one day after payment in full of all indebtedness of Lessor, it shall not institute against, or join any other person in instituting against, Lessor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. The provisions of this Section 18 shall survive termination of this Master Equity Lease Agreement.

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Master Equity Lease Agreement as of the day and year first above written

LESSEE: \_\_\_\_\_  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Date Signed: \_\_\_\_\_, \_\_\_\_\_

LESSOR: Enterprise FM Trust  
By: Enterprise Fleet Management, Inc. its attorney in fact  
Signature: \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Date Signed: \_\_\_\_\_, \_\_\_\_\_



### MAINTENANCE AGREEMENT

This Maintenance Agreement (this "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, by Enterprise Fleet Management, Inc., a Missouri corporation ("EFM"), and \_\_\_\_\_ ("Lessee").

#### WITNESSETH

**1. LEASE.** Reference is hereby made to that certain Master Lease Agreement dated as of the \_\_\_\_\_ day of \_\_\_\_\_, by and between Enterprise FM Trust, a Delaware statutory trust, as lessor ("Lessor"), and Lessee, as lessee (as the same may from time to time be amended, modified, extended, renewed, supplemented or restated, the "Lease"). All capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings ascribed to them in the Lease.

**2. COVERED VEHICLES.** This Agreement shall only apply to those vehicles leased by Lessor to Lessee pursuant to the Lease to the extent Section 4 of the Schedule for such vehicle includes a charge for maintenance (the "Covered Vehicle(s)").

**3. TERM AND TERMINATION.** The term of this Agreement ("Term") for each Covered Vehicle shall begin on the Delivery Date of such Covered Vehicle and shall continue until the last day of the "Term" (as defined in the Lease) for such Covered Vehicle unless earlier terminated as set forth below. Each of EFM and Lessee shall each have the right to terminate this Agreement effective as of the last day of any calendar month with respect to any or all of the Covered Vehicles upon not less than sixty (60) days prior written notice to the other party. The termination of this Agreement with respect to any or all of the Covered Vehicles shall not affect any rights or obligations under this Agreement which shall have previously accrued or shall thereafter arise with respect to any occurrence prior to termination, and such rights and obligations shall continue to be governed by the terms of this Agreement.

**4. VEHICLE REPAIRS AND SERVICE.** EFM agrees that, during the Term for the applicable Covered Vehicle and subject to the terms and conditions of this Agreement, it will pay for, or reimburse Lessee for its payment of, all costs and expenses incurred in connection with the maintenance or repair of a Covered Vehicle. This Agreement does not cover, and Lessee will remain responsible for and pay for, (a) fuel, (b) oil and other fluids between changes, (c) tire repair and replacement, (d) washing, (e) repair of damage due to lack of maintenance by Lessee between scheduled services (including, without limitation, failure to maintain fluid levels), (f) maintenance or repair of any alterations to a Covered Vehicle or of any after-market components (this Agreement covers maintenance and repair only of the Covered Vehicles themselves and any factory-installed components and does not cover maintenance or repair of chassis alterations, add-on bodies (including, without limitation, step vans) or other equipment (including, without limitation, lift gates and PTO controls) which is installed or modified by a dealer, body shop, upfitter or anyone else other than the manufacturer of the Covered Vehicle, (g) any service and/or damage resulting from, related to or arising out of an accident, a collision, theft, fire, freezing, vandalism, riot, explosion, other Acts of God, an object striking the Covered Vehicle, improper use of the Covered Vehicle (including, without limitation, driving over curbs, overloading, racing or other competition) or Lessee's failure to maintain the Covered Vehicle as required by the Lease, (h) roadside assistance or towing for vehicle maintenance purposes, (i) mobile services, (j) the cost of loaner or rental vehicles or (k) if the Covered Vehicle is a truck, (i) manual transmission clutch adjustment or replacement, (ii) brake adjustment or replacement or (iii) front axle alignment. Whenever it is necessary to have a Covered Vehicle serviced, Lessee agrees to have the necessary work performed by an authorized dealer of such Covered Vehicle or by a service facility acceptable to EFM. In every case, if the cost of such service will exceed \$50.00, Lessee must notify EFM and obtain EFM's authorization for such service and EFM's instructions as to where such service shall be made and the extent of service to be obtained. Lessee agrees to furnish an invoice for all service to a Covered Vehicle, accompanied by a copy of the shop or service order (odometer mileage must be shown on each shop or service order). EFM will not be obligated to pay for any unauthorized charges or those exceeding \$50.00 for one service on any Covered Vehicle unless Lessee has complied with the above terms and conditions. EFM will not have any responsibility to pay for any services in excess of the services recommended by the manufacturer, unless otherwise agreed to by EFM. Notwithstanding any other provision of this Agreement to the contrary, (a) all service performed within one hundred twenty (120) days prior to the last day of the scheduled "Term" (as defined in the Lease) for the applicable Covered Vehicle must be authorized by and have the prior consent and approval of EFM and any service not so authorized will be the responsibility of and be paid for by Lessee and (b) EFM is not required to provide or pay for any service to any Covered Vehicle after 100,000 miles.

**5. ENTERPRISE CARDS:** EFM may, at its option, provide Lessee with an authorization card (the "EFM Card") for use in authorizing the payment of charges incurred in connection with the maintenance of the Covered Vehicles. Lessee agrees to be liable to EFM for, and upon receipt of a monthly or other statement from EFM, Lessee agrees to promptly pay to EFM, all charges made by or for the account of Lessee with the EFM Card (other than any charges which are the responsibility of EFM under the terms of this Agreement). EFM reserves the right to change the terms and conditions for the use of the EFM Card at any time. The EFM Card remains the property of EFM and EFM may revoke Lessee's right to possess or use the EFM Card at any time. Upon the termination of this Agreement or upon the demand of EFM, Lessee must return the EFM Card to EFM. The EFM Card is non-transferable.

**6. PAYMENT TERMS.** The amount of the monthly maintenance fee will be listed on the applicable Schedule and will be due and payable in advance on the first day of each month. If the first day of the Term for a Covered Vehicle is other than the first day of a calendar month, Lessee will pay EFM, on the first day of the Term for such Covered Vehicle, a pro-rated maintenance fee for the number of days that the Delivery Date precedes the first monthly maintenance fee payment date. Any monthly maintenance fee or other amount owed by Lessee to EFM under this Agreement which is not paid within twenty (20) days after its due date will accrue interest, payable upon demand of EFM, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate allowed by applicable law. The monthly maintenance fee set forth on each applicable Schedule allows the number of miles per month as set forth

Initials: EFM \_\_\_\_\_ Lessee \_\_\_\_\_

in such Schedule. Lessee agrees to pay EFM at the end of the applicable Term (whether by reason of termination of this Agreement or otherwise) an overmileage maintenance fee for any miles in excess of this average amount per month at the rate set forth in the applicable Schedule. EFM may, at its option, permit Lessor, as an agent for EFM, to bill and collect amounts due to EFM under this Agreement from Lessee on behalf of EFM.

**7. NO WARRANTIES.** Lessee acknowledges that EFM does not perform maintenance or repair services on the Covered Vehicles but rather EFM arranges for maintenance and/or repair services on the Covered Vehicles to be performed by third parties. EFM MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY PRODUCTS, REPAIRS OR SERVICES PROVIDED FOR UNDER THIS AGREEMENT BY THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COMPLIANCE WITH SPECIFICATIONS, OPERATION, CONDITION, SUITABILITY, PERFORMANCE OR QUALITY. ANY DEFECT IN THE PERFORMANCE OF ANY PRODUCT, REPAIR OR SERVICE WILL NOT RELIEVE LESSEE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING THE PAYMENT TO EFM OF THE MONTHLY MAINTENANCE FEES AND OTHER CHARGES DUE UNDER THIS AGREEMENT.

**8. LESSOR NOT A PARTY.** Lessor is not a party to, and shall have no rights, obligations or duties under or in respect of, this Agreement.

**9. NOTICES.** Any notice or other communication under this Agreement shall be in writing and delivered in person or sent by facsimile, recognized overnight courier or registered or certified mail, return receipt requested and postage prepaid, to the applicable party at its address or facsimile number set forth on the signature page of this Agreement, or at such other address or facsimile number as any party hereto may designate as its address or facsimile number for communications under this Agreement by notice so given. Such notices shall be deemed effective on the day on which delivered or sent if delivered in person or sent by facsimile, on the first (1st) business day after the day on which sent, if sent by recognized overnight courier or on the third (3rd) business day after the day on which mailed, if sent by registered or certified mail.

**10. MISCELLANEOUS.** This Agreement embodies the entire Agreement between the parties relating to the subject matter hereof. This Agreement may be amended only by an agreement in writing signed by EFM and Lessee. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provisions in any other jurisdiction. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of EFM. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Missouri (without reference to conflict of law principles).

IN WITNESS WHEREOF, EFM and Lessee have executed this Maintenance Agreement as of the day and year first above written.

LESSEE: \_\_\_\_\_

EFM: Enterprise Fleet Management, Inc.

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

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

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

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

Attention: \_\_\_\_\_

Fax #: \_\_\_\_\_

Fax #: \_\_\_\_\_

Date Signed: \_\_\_\_\_, \_\_\_\_\_

Date Signed: \_\_\_\_\_, \_\_\_\_\_

Initials: EFM\_\_\_\_\_ Lessee\_\_\_\_\_

**FORM E****CONTRACT ACCEPTANCE AND AWARD**

(Top portion of this form will be completed by Sourcewell if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

Sourcewell Contract # 060618-EFM

Proposer's full legal name: Enterprise Fleet Management, Inc. *8-27-18*

Based on Sourcewell's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all of the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by Sourcewell.

The effective date of the Contract will be July 24, 2018 and will expire on July 24, 2022 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the Sourcewell Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at Sourcewell's discretion.

**Sourcewell Authorized Signatures:**

DocuSigned by:

*Jeremy Schwartz*

78144D620E84E3

SOURCEWELL DIRECTOR OF COOPERATIVE CONTRACTS  
AND PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz  
(NAME PRINTED OR TYPED)

DocuSigned by:

*Chad Coquette*

3F75E028A547448

SOURCEWELL EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coquette  
(NAME PRINTED OR TYPED)

Awarded on 07/23/2018

Sourcewell Contract # 060618-EFM

**Vendor Authorized Signatures:**

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name Enterprise Fleet Management, Inc. *8-27-18*

Authorized Signatory's Title Assistant Vice President

*[Signature]*  
VENDOR AUTHORIZED SIGNATURE

*Alvin Girsip*  
(NAME PRINTED OR TYPED)

Executed on Aug 14th, 2018

Sourcewell Contract # 060618-EFM

VEHICLE REPLACEMENT & EST. LEASE PRICING SHEET - CITY OF FONTANA - 60mo TERMS, 12k Est. Annual Miles																					
Vehicle ID #	VIN#	Year	Make	Model	Mileage	Est. Annual Mileage	Est. Current Resale Value	PD's Desired Replacement Vehicle	Must Have Options/Features On Vehicle (Engine Size, Factory Options, FWD or AWD, etc)	Est. Factory Order To Delivery Lead Times & Production Information	Est. Monthly Lease Payment - 60 Month Term	Est. Monthly Tax @ 7.75%	Est. Total Monthly Payment w/Tax	Reduced Book Value @ Term (amount left on loan)	Est. Resale Value @ 5yrs 60,000mi (assumes commercial use condition)	Est. Equity From Resale (goes back to Customer)	Est. Sales Tax Re-Capture @ 7.75% (goes back to Customer)	Est. Total Back to City (equity from resale + sales tax re-capture)	Total Effective Monthly Payment After Resale	Optional Monthly Full Maintenance Program - 5yrs & 60,000 Miles (covers all preventative maintenance, unscheduled repairs, & towing, brakes & tires are billed back at cost when needed)	Est. Optional Physical Damage Coverage (enterprise can provide physical damage coverage with deductible of your choice that covers any accident related damage or loss. Program also includes full claims management & subrogation)
7590	1FM5K8D80FGA88476	2015	Ford	Explorer	93,209	15,535	\$13,275	2022 Chevy Traverse	FWD LT CLOTH 3.6L	2022 Order Banks are open, est. January/February delivery	\$500.40	\$38.78	\$539.18	\$5,679.40	\$14,900.00	\$8,820.60	\$683.60	\$9,504.20	\$380.78	\$45.55	\$50.00
9551	1FM5K8D82FGA88477	2015	Ford	Explorer	78,419	13,070	\$14,225	2022 Chevy Traverse	AWD LT CLOTH 3.6L	2022 Order Banks are open, est. Jan/Feb delivery	\$560.17	\$43.41	\$603.58	\$6,368.20	\$15,900.00	\$9,131.80	\$707.71	\$9,839.51	\$439.59	\$45.55	\$50.00
9584	3FA6P0H90FR151251	2015	Ford	Fusion	72,331	12,055	\$7,675	2022 Camry	XLE V6	2022 Order Banks are open, est. Q1 delivery	\$530.32	\$41.10	\$571.42	\$6,096.60	\$12,700.00	\$6,203.40	\$480.76	\$6,684.16	\$460.02	\$43.33	\$50.00
9585	3FA6P0H97FR114682	2015	Ford	Fusion	74,337	12,390	\$7,675	Est. 2022 F150	XLT Crew Cab 4x2 V8	2022 Order Banks are open, est. Q2 delivery	\$630.43	\$48.86	\$679.29	\$7,148.85	\$20,500.00	\$12,951.15	\$1,003.71	\$13,954.86	\$446.71	\$47.62	\$50.00
9561	1FM5K8D89FGA88475	2014	Ford	Explorer	167,000	23,857		Est. 2022 Charger	GT V6	2022 Order Banks open 10/6 with Production Starting in Dec. Est. Q2 Delivery	\$509.84	\$39.51	\$549.35	\$5,815.00	\$10,700.00	\$4,485.00	\$347.59	\$4,832.59	\$468.81	\$44.02	\$50.00
													\$2,942.82						\$226.07	\$250.00	



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-887

**Agenda #:** F.

**Agenda Date:** 9/28/2021

**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 2021.

**COUNCIL GOALS:**

- To operate in a businesslike manner by becoming more service oriented.
- To concentrate on inter-governmental relations by establishing partnerships and positive working relationships with other public agencies providing services to residents.
- To increase citizen involvement by informing the public about issues, program and accomplishments.

**DISCUSSION:**

The August 2021 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

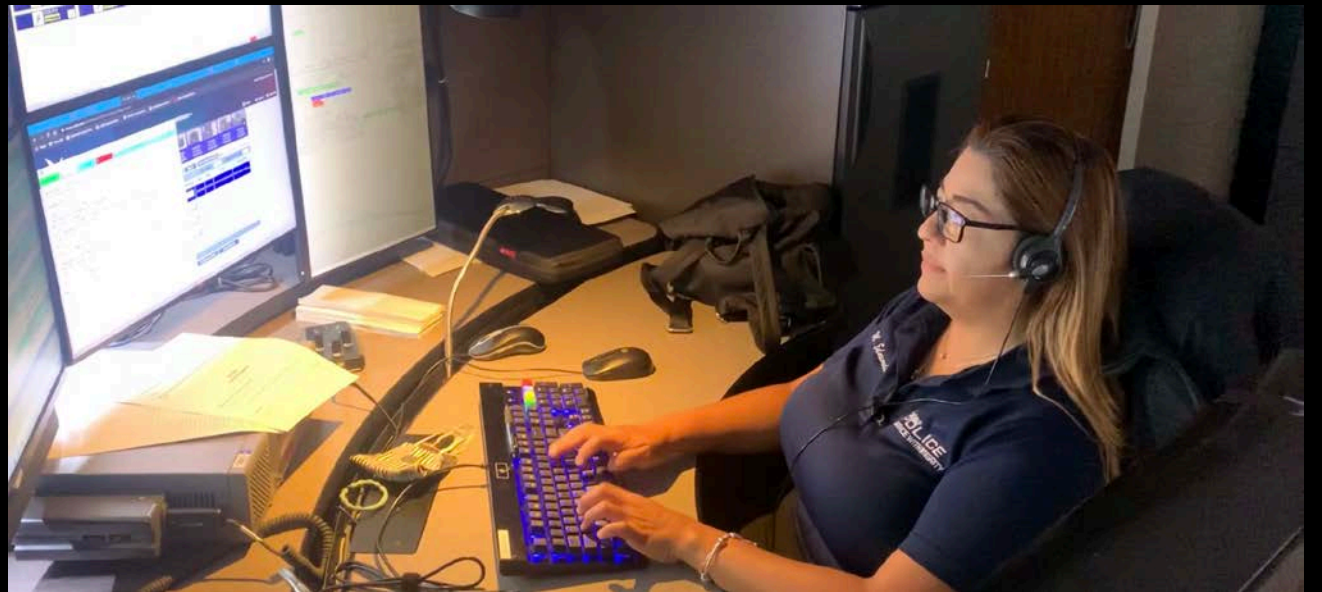
August 2021



# NOTEWORTHY EVENTS

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- August 2<sup>nd</sup>- Chief Green made Savannah an Honorary Jr Police Officer. Savannah is battling cancer and is one tough little girl. Fontana police picked her and her family up in the Bearcat and drove her to the K9 training field. There she met Chief Green, Captain, detectives, K9 officers, police explorers, traffic officers and SWAT team members.
- August 4<sup>th</sup>- Officers hosted play date with Police at Veteran's Park in Fontana
- August 10<sup>th</sup>- COPE provided a public service announcement regarding the Safe Return Program
- August 11<sup>th</sup>- COPR provided a public service announcement encouraging residents to drive safely as children returned to school.
- August 14<sup>th</sup>- MET officers participated in the annual back-to-school bash at Jack Bulik Park & Multi-Purpose Rink.
- August 15<sup>th</sup>- Officer Fraser returned a lost adult to her family as she became lost after getting on the wrong bus.
- August 19<sup>th</sup>- Patrol officers responded to home invasion robbery and arrested the four suspects. Five firearms were recovered.
- August 21<sup>st</sup>- Patrol officer came under fire as they attempted to arrest a suspect fleeing in a stolen vehicle.
- August 23<sup>rd</sup>- Special Operations Division officer arrested a wanted felony stalking suspect after a vehicle pursuit.
- August 28<sup>th</sup>- Traffic Unit conducted a DUI checkpoint
- August 28<sup>th</sup>- Personnel and Training staff hosted a practice the physical agility test for potential applicants





# CITYWIDE

- Priority 1 response time- 5:54 (Emergency calls like subject not breathing, shots fired, and other immediate risk to life/safety)
- Calls for service- 10, 550
- Total Traffic Accidents- 248
  - Non-Injury- 203, Injury - 45
- Total arrests- 698
  - Hispanic- 427, White- 143, Black- 105, All others races- 23
- Total Part 1 Crimes- 286
  - Crimes of Violence- 51
  - Crimes of Property- 235



# CITYWIDE – AUGUST 2020 VS 2021

	August		
	2020	2021	Change
Response Time	4:21	4:54	13%
Calls for Service	10743	10550	-2%
Traffic Accidents	254	248	-2%
Injury Accidents	51	45	-12%
Non-Injury Accidents	203	203	0%
Arrests	602	698	16%
Part 1 Crimes	243	286	18%
Crimes of Violence	49	51	4%
Crimes of Property	194	235	21%



# CITYWIDE

## THIS MONTH

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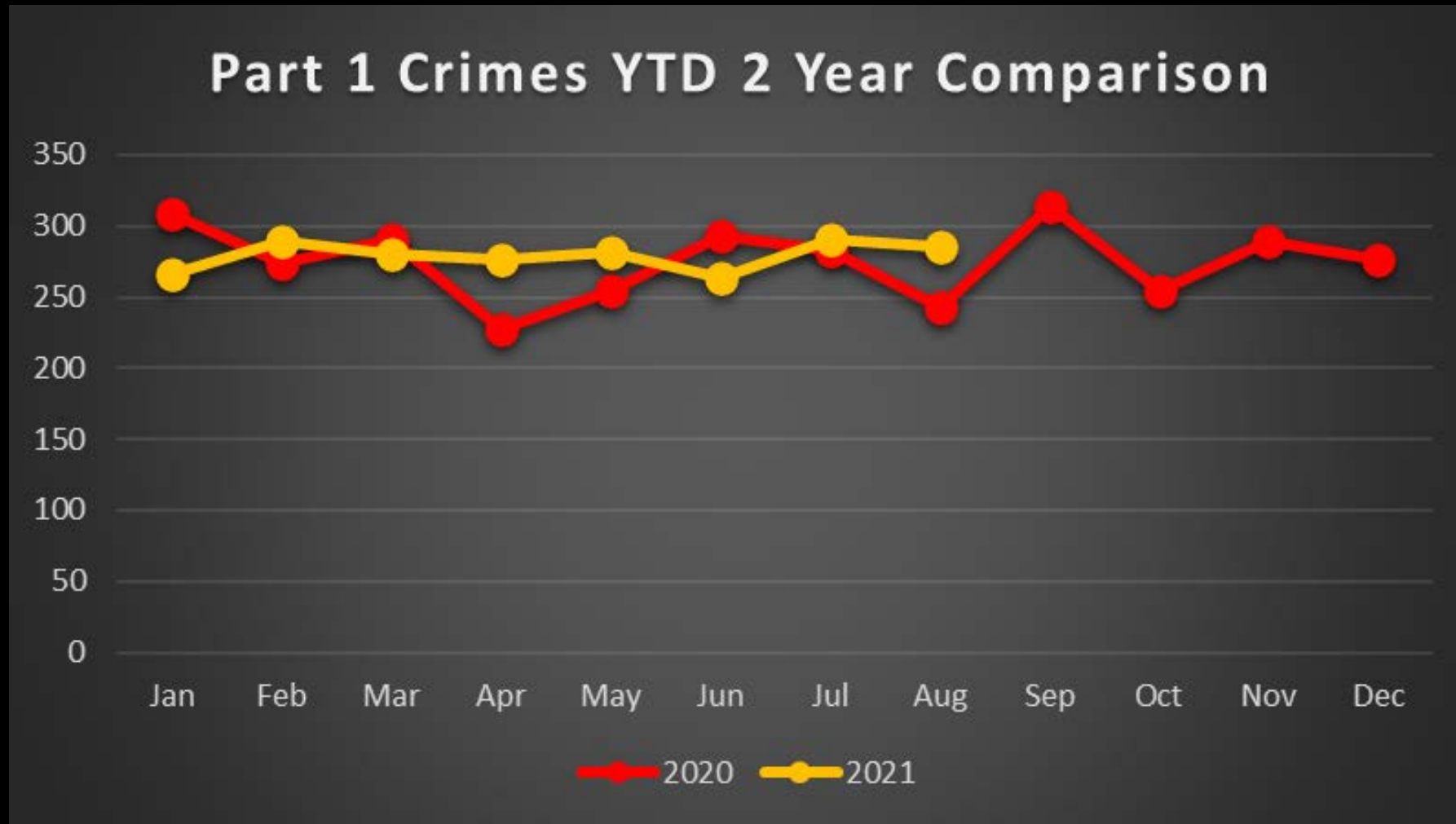
## COMPARED TO LAST MONTH

- Murder- 0 (no change)
- Rape- 4 (down from 7)
- Robbery- 17 (up from 13)
  - Firearms used- 6, Knife used- 1, Other Weapon- 1, Strong-Arm- 9
- Assault- 30 (up from 26)
  - Firearm used- 6, Knife used- 3, Other Weapon- 13, Hands/Fists- 8
- Burglary- 34 (up from 28)
  - Forceable- 21, No-Force- 13
- Larceny- 137 (down from 159)
  - Shoplifting- 25, From motor vehicle- 24, Motor vehicle parts- 65, All others- 45
- Motor Vehicle Theft- 64 (up from 58)



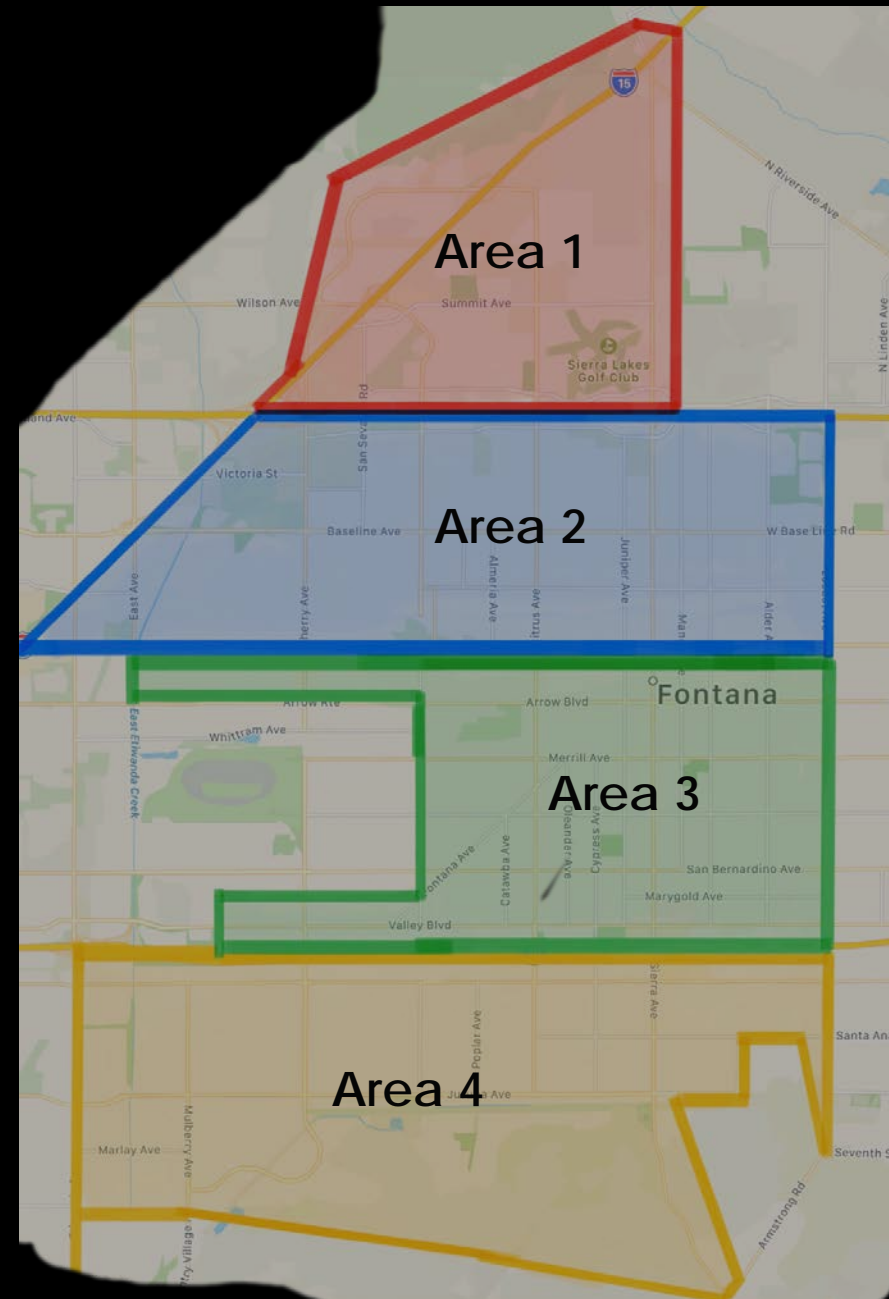


# CITYWIDE PART 1 – AUGUST 2020 VS 2021



# 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 CARLO GRANILLO

EMAIL- [CGRANILLO@FONTANA.ORG](mailto:CGRANILLO@FONTANA.ORG)

DESK- (909) 350-7716

- Total Part 1 Crimes- 30
- Murder- 0
- Rape- 0
- Robbery- 2
- Assault- 1
- Burglary- 3
- Larceny- 22
- Motor Vehicle Theft- 2



# BEAT 2

AREA COMMANDER IS LIEUTENANT BRIAN BINKS

EMAIL- [JBINKS@FONTANA.ORG](mailto:JBINKS@FONTANA.ORG)

DESK- (909) 356-7142

- Total Part 1 Crimes- 69
- Murder- 0
- Rape- 0
- Robbery- 4
- Assault- 9
- Burglary- 10
- Larceny- 31
- Motor Vehicle Theft- 15



# BEAT 3

AREA COMMANDER IS LIEUTENANT RAUL FILETO

EMAIL – [RFILETO@FONTANA.ORG](mailto:RFILETO@FONTANA.ORG)

DESK – (909) 854-8161

- Total Part 1 Crimes- 123

- Murder- 0
- Rape - 2
- Robbery - 9
- Assault - 18
- Burglary - 17
- Larceny - 42
- Motor Vehicle Theft - 35





# Beat 4

AREA COMMANDER IS LIEUTENANT DOUG IMHOF

EMAIL – [DIMHOF@FONTANA.ORG](mailto:DIMHOF@FONTANA.ORG)

DESK – (909) 350-7707



- Total Part 1 Crimes- 59
- Murder- 0
- Rape- 1
- Robbery- 2
- Assault- 1
- Burglary- 4
- Larceny- 39
- Motor Vehicle Theft- 12

# 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 [bgreen@fontana.org](mailto:bgreen@fontana.org)



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-880

**Agenda #:** G.

**Agenda Date:** 9/28/2021

**Category:** Consent Calendar

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**FROM:**

Community Development

**SUBJECT:**

Resolution approving Amendment to Five-Year Permanent Local Housing Allocation Plan

**RECOMMENDATION:**

Adopt **Resolution No. 2021-\_\_\_\_\_**, approving the amendment to the five-year Permanent Local Housing Allocation (PLHA) Plan that will be submitted to the California Department of Housing and Community Development (HCD).

**COUNCIL GOALS:**

- To concentrate on inter-governmental relations by pursuing financial participation from county, state and federal governments.

**DISCUSSION:**

*Background*

In 2020, the California Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA) of approximately \$195 million for the Permanent Local Housing Allocation (PLHA) program. Funding for the NOFA is provided pursuant to Senate Bill 2 (SB 2). SB 2 was signed into law by Governor Brown on September 29, 2017 and took effect January 1, 2018. It creates a \$75 fee on certain real estate transaction documents when they are recorded, capped at \$225 per transaction. The fee does not apply to sales of residential and commercial properties but instead to other transactions like mortgage refinancing and county fixture filings.

SB 2 established the Building Homes and Jobs Trust Fund in order to allocate 70 percent of the moneys collected and deposited in the Fund, beginning in 2019, to local governments for eligible housing activities. The intent of SB 2 is to provide a permanent source of funding to local governments for housing-related projects and programs that address the unmet housing needs in their communities.

*Discussion*

The City of Fontana approved a five-year plan on July 14, 2020, which included four activities:

1. Acquisition/ Rehabilitation for owner-occupied and rental-occupied units, including ADUs
2. Homebuyer Assistance
3. Acquisition/ Rehabilitation of foreclosed or vacant properties
4. Homelessness Assistance

The proposed amendment removes Activity #3 (Acquisition/ Rehabilitation of foreclosed or vacant properties) and allocates the share of funding to Activity #1 (Acquisition/ Rehabilitation for owner-occupied and rental-occupied units, including ADUs) and Activity #4 (Homeless Assistance). This amendment will provide more flexibility in identifying available properties for conversion to affordable housing within the City of Fontana.

The resolution authorizes City staff to distribute funds according to this plan for the approved, eligible activities referenced above.

Activity	Allocation (% of annual allocation)				
	2019	2020	2021	2022	2023
Acquisition/ Rehabilitation	50%	85%	55%	55%	55%
Homeless Assistance (Navigation Center operating costs and Emergency Shelter capital costs)	50%	15%	15%	15%	15%
Homebuyer Assistance	0%	0%	30%	30%	30%

In addition, the City can use up to five percent of its annual allocation for administrative costs.

**FISCAL IMPACT:**

The impact of the Permanent Local Housing Allocation Fund #295 will be approximately \$7,000,000 over the five-year period depending on the annual allocation provided by HCD. Revenues and expenditures will be recognized accordingly at the appropriate quarterly budget periods.

**MOTION:**

Approve staff recommendation.

2021-XX

City of Fontana

**AUTHORIZING RESOLUTION OF the City of Fontana**

**AUTHORIZING THE APPLICATION AND ADOPTING THE PLHA PLAN FOR THE  
PERMANENT LOCAL HOUSING ALLOCATION PROGRAM**

A necessary quorum and majority of the City Council of the City of Fontana hereby consents to, adopts, and ratifies the following resolution:

A. WHEREAS, the Department is authorized to provide up to \$304 million under the SB 2 Permanent Local Housing Allocation Program Formula Component from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2))).

B. WHEREAS the State of California (the "State"), Department of Housing and Community Development ("Department") issued a Notice of Funding Availability ("NOFA") dated 5/3/2021 under the Permanent Local Housing Allocation (PLHA) Program;

C. WHEREAS the City of Fontana is an eligible Local government who has applied for program funds to administer one or more eligible activities, or a Local or Regional Housing Trust Fund to whom an eligible Local government delegated its PLHA formula allocation.

D. WHEREAS the Department may approve funding allocations for PLHA Program, subject to the terms and conditions of the Guidelines, NOFA, Program requirements, the Standard Agreement, and other contracts between the Department and PLHA grant recipients;

NOW THEREFORE BE IT RESOLVED THAT:

1. If Applicant receives a grant of PLHA funds from the Department pursuant to the above referenced PLHA NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the PLHA Program, as well as any and all contracts Applicant may have with the Department.
2. Applicant is hereby authorized and directed to receive a PLHA grant, in an amount not to exceed the five-year estimate of the PLHA formula allocations, as stated in Appendix C of the current NOFA in accordance with all applicable rules and laws.
3. Applicant hereby agrees to use the PLHA funds for eligible activities as approved by the Department and in accordance with all Program requirements, Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the

Standard Agreement and other contracts between the Applicant and the Department.

4. **Pursuant to Section 302(c)(4) of the Guidelines, Applicant's PLHA Plan for the 2019-2023 Allocations is attached to this resolution, and Applicant hereby adopts this PLHA Plan and certifies compliance with all public notice, public comment, and public hearing requirements in accordance with the Guidelines.**
5. Pursuant to Applicant's certification in this resolution, the PLHA funds will be expended only for eligible Activities and consistent with all program requirements.
6. Applicant certifies that, if funds are used for the acquisition, construction or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the requirements stated in Guidelines Section 302(c)(6)(A),(B) and (C).
7. Applicant certifies that, if funds are used for the development of an Affordable Rental Housing Development, the Local government shall make PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project, and such loan shall be evidenced through a Promissory Note secured by a Deed of Trust and a Regulatory Agreement shall restrict occupancy and rents in accordance with a Local government-approved underwriting of the Project for a term of at least 55 years.
8. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines and any other applicable SB 2 Guidelines published by the Department.
9. City Manager or Deputy City Manager is authorized to execute the PLHA Program Application, the PLHA Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the PLHA grant awarded to Applicant, as the Department may deem appropriate.

PASSED AND ADOPTED at a regular meeting of the Fontana City Council this 28th day of September 2021, by the following vote:

AYES: \_\_\_\_\_ ABSTENTIONS: \_\_\_\_\_ NOES: \_\_\_\_\_ ABSENT: \_\_\_\_\_

Signature of Approving Officer: \_\_\_\_\_

Acquanetta Warren

#### CERTIFICATE OF THE ATTESTING OFFICER

The undersigned, Officer of Tonia Lewis does hereby attest and certify that the 2021-XX Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of the Fontana City Council which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

ATTEST: \_\_\_\_\_

Signature of Attesting Officer  
Tonia Lewis



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-901

**Agenda #:** H.

**Agenda Date:** 9/28/2021

**Category:** Consent Calendar

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**FROM:**

Human Resources

**SUBJECT:**

Resolution Ratifying the Memorandum of Understanding Between the City of Fontana and the Fontana Police Benefit Association

**RECOMMENDATION:**

Adopt **Resolution No. 2021-\_\_\_\_\_** a Resolution of the City Council of the City of Fontana ratifying the Memorandum of Understanding between the City of Fontana and the Fontana Police Benefit Association.

**COUNCIL GOALS:**

- To operate in a businesslike manner by becoming more service oriented.
- To operate in a businesslike manner by ensuring that the public debate is based on accurate information.
- To practice sound fiscal management by living within our means while investing in the future.

**DISCUSSION:**

The City has concluded negotiations with the Fontana Police Benefit Association (PBA), which represents non-sworn employees of the Fontana Police Department. City staff and representatives of the PBA have agreed on terms and conditions of employment outlined in the new contract. Staff is recommending the formal ratification of the new agreement.

The new PBA contract is for the period of July 1, 2021 through June 30, 2023. Among the highlights of the new contract are a one-time signing bonus equivalent to an overall average of 2.0% of the group's base salary, a salary increase of 1.25% effective July 2022, and the creation of a City-matching deferred compensation program also effective July 2022.

**FISCAL IMPACT:**

Costs associated with Fiscal Year 21/22 will be calculated by the Budget Office and included with the First Quarter Budget Report.

**MOTION:**

Approve staff recommendation.





**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
CITY OF FONTANA  
AND  
FONTANA POLICE BENEFIT ASSOCIATION**

**COVERING THE PERIOD OF  
JULY 1, 2021 THROUGH JUNE 30, 2023**

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
CITY OF FONTANA AND  
POLICE BENEFIT ASSOCIATION**

This Memorandum of Understanding (MOU) is entered into by the City of Fontana (hereinafter referred to as the "City") and the Fontana Police Benefit Association (hereinafter referred to as the "Association"). The terms and conditions of this MOU shall be applicable to all classifications set forth in Exhibit A commencing on July 1, 2021 and ending June 30, 2023.

The City and Association acknowledge that the City is working through the implementation of a new Human Resources & Payroll System ("System") during the term of this MOU. The completion and readiness of the System shall be a reopener as to all issues that are impacted. To the extent the System's implementation may impact terms and conditions of employment, the parties will meet, confer, and negotiate prior to implementation (July 2021).

**ARTICLE I: RECOGNITION**

For purposes of meeting and conferring on wages, hours and working conditions and general representation of its members, formal recognition is hereby granted to the Fontana Police Benefit Association.

**ARTICLE II: ZIPPER CLAUSE**

The City and the Association, for the life of this MOU, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to meet and confer with respect to any subject or matter referred to or covered in this MOU, or with respect to any subject or matter not specifically referred to or covered in this MOU, even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time they have met and conferred or signed this MOU.

**ARTICLE III: CITY PERSONNEL RULES**

It is understood and agreed that there exists within the City, in written or unwritten form, certain personnel rules, policies, practices and benefits, generally contained in the "City of Fontana Personnel Rules and Regulations," and "Employer-Employee Rules and Regulations" as amended by City resolutions and Memorandum of Understanding. Those rules, policies, and benefits, which are subject to the meet and confer process, will continue in effect, except for those provisions modified by this MOU, unless and until modified by mutual agreement of the parties and enacted by the City Council, if necessary, in accordance with state laws, orders, regulations, official instructions or policies.

The City shall distribute copies and updates of the Personnel Rules and Regulations as follows:

PBA Representative - 2 copies

Those representatives in receipt of such copies and updates shall be responsible for their continued maintenance and updates.

#### **ARTICLE IV: NO DISCRIMINATION**

Neither the City nor the Association shall unlawfully discriminate, retaliate, or otherwise suffer violation of the California Fair Employment Act, Title VII of the Civil Rights Act, or any other applicable anti-discrimination law in any way against any City employee, Association member, or applicant. Likewise, neither the City nor Association shall discriminate or retaliate against any employee or member for any lawful act relating to their employment or Association membership.

#### **ARTICLE V: DUES DEDUCTION**

##### Section 1 - Dues Deduction Authorization

Members of the Police Benefit Association may authorize Association dues deduction by submitting a written authorization to the Association, who will then notify the City of such deductions. Said authorization shall remain in effect unless withdrawn in writing, or unless the employee terminates employment or transfers from the Association represented unit.

##### Section 2 - Non Pay Status

If an employee is in a non-pay status, the employee's earnings must be regularly sufficient after other legal and required deductions are made to cover the amount of the dues deduction authorized. When a member in good standing of the Association is in a non-pay status for an entire pay period, no dues withholding will be made to cover that pay period. In the case of an employee who is in a non-pay status during only a part of the pay period and the salary is not sufficient to cover the full withholding, no deduction shall be made. In this connection, all other legal and required deductions have priority over employee organization dues.

##### Section 3 - Transmittal of Dues

Dues withheld by the City shall be transmitted to the Officer designated by the Association, in writing, at the address specified.

##### Section 4 - Hold Harmless

The Association shall indemnify, defend and hold the City of Fontana harmless against any claims made, and against any suit instituted against the City of Fontana on account of check-off or employee organization dues. In addition, the Association shall refund to

the City of Fontana any amounts paid to it in error, upon presentation of supporting evidence.

## **ARTICLE VI: WAGES**

Effective the beginning of the pay period following July 1, 2022, each employee/classification represented by the Association shall receive a 1.25% base salary increase.

## **ARTICLE VII: WORKING HOURS AND WORK SCHEDULES**

PBA bargaining unit members shall have a 4/10 or 12 hour work schedule. The Chief of Police may modify or change shift hours and days off upon fourteen (14) calendar days' notice to the affected employee. Changes in work schedules are intended to be of a permanent nature or for an extended period of time.

Employees scheduled to attend training on a day when they are scheduled to work a 10 hour shift will be required to work a full shift (i.e. employees scheduled to work a 10 hour shift will be required to work the full 10 hours). Reasonable travel time, determined by the Department, will be permitted within the required work period. Travel time shall be based on the distance from the Police Department to the training location or the length of travel to the location from which the employee must be housed on or near the training site. An employee who is scheduled for training of a day or longer may be placed on an alternate work schedule to accommodate the hours of training in order to maintain the employees' required 40 hours per week credit.

Employees on the 4/10 or 3/12 work schedule must have at least 8 hours off between shifts worked, except for emergency situations.

## **ARTICLE VIII: MERIT INCREASES**

Merit increases will be 5% increments beginning with A step and ending with E step.

## **ARTICLE IX: PERSONAL LEAVE**

### Section 1 - Personal Leave Accrual

The personal leave accrual rate as of July 1, 2017 shall be as follows:

<u>YEARS OF SERVICE</u>	<u>HOURS ASSIGNED</u>	<u>PAY PERIOD ACCUMULATION</u>
Less than 2 Years	200.0 hours	7.69 hours
2 Years but less than 4 Years	211.2 hours	8.12 hours
4 Years but less than 6 Years	222.4 hours	8.55 hours
6 Years but less than 8 Years	233.6 hours	8.98 hours
8 Years but less than 10 Years	244.8 hours	9.42 hours
10 Years but less than 12 Years	256.0 hours	9.85 hours

12 Years but less than 14 Years	267.2 hours	10.28 hours
14 Years but less than 16 Years	278.4 hours	10.71 hours
16 Years but less than 18 Years	289.6 hours	11.14 hours
18 Years but less than 20 Years	306.0 hours	11.77 hours
20 Years +	312.0 hours	12.00 hours

## Section 2 - Leave Accrual Limits

PBA bargaining unit members agree to limit the number of personal leave hours which can be carried over from year to year to a maximum of two and one half (2.5) years personal leave accrual. The determination and application of the maximum accrual limit shall be made by the Management Services Director or their designee annually at the beginning of the pay period following July 1<sup>st</sup> (July 2021). Employees will cease to accrue personal leave time until they have reduced their personal leave below their ceiling. The City Manager shall, upon written request, approve payouts of accrued leave time, which are in excess of the two- and one-half year ceiling and/or the 120 hour maximum, when such excess leave is the result of the employee's scheduled leave being denied or canceled because of City needs.

## Section 3 - Leave Cash Out

PBA bargaining unit members agree to limit the amount of leave time (personal leave, compensatory time or a combination of both) which can be cashed out under the City's "leave plans" to a maximum of one-hundred and twenty (120) hours per calendar year. The requested cash out can be made at either or both dates below, via direct deposit, not to exceed the maximum amount listed in this Article per calendar year (July 2021):

### **Payment Dates**

- On or before July 31<sup>st</sup>
- On or before the second Friday in December

Employees' leave time (as mentioned above) may not be reduced to less than eighty (80) hours as a result of participation in the annual leave cash out.

Employees will no longer be required to submit irrevocable deferred compensation election forms prior to July 1. Instead, employees may elect to have future wages placed in deferred compensation upon completion and submission of the appropriate forms to payroll thirty (30) days prior to the requested implementation date. This option will be available throughout the term of this MOU.

## Section 4 - Negative Leave Usage

PBA bargaining unit members agree to eliminate all negative leave usage. (Employees may only use time already accrued). The City Manager may, upon written request, approve exceptions to this provision under extraordinary circumstances and with the

employee providing a written deduction authorization allowing the City to withhold any monies owed from this negative leave usage from the employee's final paycheck.

## **ARTICLE X: UNIFORMS AND EQUIPMENT**

### Section 1 - Uniform Allowance

Effective July 1, 2013 a uniform allowance in the amount of \$1,000 per year will be paid to **Field** Services Personnel in the following classifications: Community Services Officers, Police Evidence Technicians, and Animal Services Officers that are required to wear a uniform on a **daily** basis. All remaining employees required to wear a uniform, but not on a daily basis, will remain at a uniform allowance of \$700 per year. The uniform allowance will be paid in semi-annual increments of one-half (1/2) in October and April of each year.

A newly appointed employee in any one of the above classifications will receive their full uniform allowance at the end of the first pay period following appointment. If the employee leaves, either voluntarily or involuntarily, during their probationary period, the full uniform allowance that was provided will be deducted from their final pay check.

Once the employee completes the probationary period he/she will be assigned to the regularly scheduled uniform allowance payment dates in October and April.

The uniform allowance is intended for the purchase and maintenance of uniforms. The Police Department/City may request verification of annual uniform purchase or maintenance if abuse is reasonably suspected.

All members receiving a uniform allowance must be in compliance with the Police Department's existing policies and procedures or as directed.

In addition, the City will compensate any eligible employee for the repair or replacement of clothing or equipment damaged or destroyed in direct consequence of the discharge of his/her duties in accordance with State Labor Code Section 2802.

### Section 2 - Safety Equipment

The City will provide Community Services Officers, Police Evidence Technicians and Animal Services Officers with necessary safety equipment such as:

Rain coat	Chemical Spray Holder
Rain boots	Disinfectant
H/T Holder	Bullet Proof Vest
Black Basket Weave Sam Browne	Black Basket Weave Sam Browne
Belt w/ Keepers (July 2017)	Under Belt (July 2017)
*Taser Equipment (Animal Services Officers)	Forensic Vests (Evidence Technicians) (July 2017)



\*If the need for the Taser equipment changes or is found **not** to be in the best interest of the Police Department, the Chief of Police may remove the Taser from the safety equipment list. All ASO's must complete the required training prior to receiving a Taser.

## ARTICLE XI: LONGEVITY PAY

### Section 1

Longevity pay shall be paid to all unit employees who complete a minimum of ten (10) years of service at the rates indicated in the Section B of this Article. Completed years of service will be calculated on a calendar year (January 1 through December 31). A member will be presumed to have completed a full year of service for purposes of this Article if the member's anniversary date (service year completion date) falls within the calendar year. For example, if the City intends to issue the longevity payment on December 1, a member completing 15 years of service on December 12 will be credited with 15 years of service for entitlement to the 15 year longevity payment on December 1. Unit employees shall receive longevity pay via direct deposit by electing one form of payment below:

- A bi-weekly basis, equal to the amount indicated in Section B (i.e., a prorated portion of the annual longevity payment will be provided with each paycheck) and will be included on the employee's next regular paycheck following eligibility, **OR**
- A one-time per year payment, payable on or before the second Friday in December.

Employee's longevity payments shall cease upon termination of employment. The unit employee may not change their payment option once they elect to receive it bi-weekly. For current unit employees (PBA unit employees prior to July 1, 2021) payment election must be submitted to the Human Resources Department on or before October 1st of each year to be effective the beginning of the pay period following January 1st of the following year. If an election is not made by the deadline indicated above, the unit employee will be subject to the bi-weekly payment indicated above.

### Section 2

Annual longevity payments will be made based on completion of the following applicable length of service in the following amounts:

10 years or more of continuous service =	\$1,750
15 years or more of continuous service =	\$2,250
20 years or more of continuous service =	\$2,750
25 years or more of continuous service =	\$3,250

### Section 3

Longevity payments shall be reported to PERS as compensation earnable for the purpose of calculating retirement benefits and contributions.

## **ARTICLE XII: OVERTIME**

Overtime shall be calculated in accordance with the Fair Labor Standards Act (FLSA) for all time **actually** worked in excess of forty (40) hours in a work week. There shall be no "pyramiding" of overtime (e.g., if an employee receives a minimum two hours call back pay at the overtime rate, and those hours worked also result in their working in excess of forty (40) hours in a work week, double overtime will not be paid). Beginning the first full pay period in July 2011 pre-approved/pre-scheduled leave and jury duty will be considered actual time worked for all association members. Absence due to, unscheduled leave shall **not** be regarded as time worked in calculating eligibility for overtime. Notwithstanding the aforementioned provision, personal leave, compensatory time off and holiday time (including floating holiday time) shall be counted as "hours worked" for purposes of overtime calculations in that work week. **No overtime will be recognized except with the prior approval of the Department Head, except as required by law.**

For purposes of overtime calculations for classifications represented by the Association that work in the Fontana Police Department's Communication Center, the workweek will end at the midpoint of the employee's scheduled shift on either Wednesday or Thursday of each week, depending on the employee's designated schedule.

## **ARTICLE XIII: COURT STAND BY AND COURT APPEARANCE COMPENSATION**

### Section 1 - Court Stand By

Employees who are placed in a "Stand By" status restricting their freedom of movement in lieu of attending court in response to a direct order or lawful subpoena pertaining to matters arising during the course and scope of employment shall be compensated at the rate of one-half of the employee's straight time compensation (e.g., if an employee is earning \$20.00 an hour, and is placed in an Standby status, such employee will be compensated at the rate of \$10.00 an hour).

### Section 2 - Court Appearance

In addition, the City shall provide to each PBA bargaining unit member who is required to attend court, outside of their scheduled work hours, pursuant to a lawful subpoena relating to events occurring during the course and scope of his/her employment, overtime compensation, in either cash or compensatory time off at the employee's option for time spent in attendance, with a minimum compensation payment of two (2) hours. For those members regularly assigned to the graveyard shift, compensation will be a minimum of three (3) hours.

#### **ARTICLE XIV: SHIFT DIFFERENTIAL PAY**

All employees in the PBA bargaining unit are eligible to receive shift differential pay for hours actually worked as follows: (a) shift commencing at 1800 and concluding at 2300 shall receive a 2.5% differential pay; and (b) shifts commencing at 2301 and concluding at 0600 shall be paid at 5% differential pay.

#### **ARTICLE XV: BILINGUAL PAY**

The City shall pay one hundred dollars (\$100.00) per pay period for those employees who are assigned by the Department Head to assist with providing translation to and from a foreign language and other related services. Eligible employees will be required to pass a test which shall be administered by a qualified agency or individual.

#### **ARTICLE XVI: HEALTH INSURANCE**

##### Section 1 - Cafeteria Plan

Effective January 1, 2007 for employees paying out of pocket, the City will contribute to the City's Cafeteria Plan an amount equal to the cost of the Anthem Blue Cross HMO family rate with a \$15 co-pay and the high dental family rate. The City's contribution shall not exceed the actual expenditures for the aforementioned coverage. The amount that employees may receive under the City's Cafeteria cash back option shall be limited to \$558.35 per month.

The PBA agrees to a limited re-opener solely on Article XVI Section 1 – Cafeteria Plan. The City is currently evaluating other options of healthcare providers. When the City receives this information, they will provide it to PBA to review and will the meet and confer over this particular article (July 2021).

##### Section 2 - Medical Insurance Benefits While on Leave

Employees who are receiving long-term disability insurance pay will have their medical insurance premiums paid by the City for them and currently enrolled dependents for up to eighteen (18) months. These payments shall not exceed the employee's current cafeteria allotment for medical insurance only. Thereafter, the employee must pay for medical insurance. Employees on job related injury leave shall receive fully paid medical insurance for the period of the injury. Employees at their option may continue coverage of other available insurance at their own expense.

## ARTICLE XVII: HOLIDAYS

### Section 1 - Holidays Observed

The following days shall be observed by the City as paid holidays:

New Year's Eve	Veterans Day
New Year's Day	Thanksgiving
Martin Luther King's Birthday	Day After Thanksgiving
Memorial Day	Christmas Eve
Independence Day	Christmas Day
Labor Day	

In addition to these Holidays employees shall receive **(3) Floating Holidays**. The employee's holiday leave account shall receive 20 hours (for employees on 4/10 or 3/12 work schedule) or 18 hours (for employees on 9/80 work schedule) or 16 hours (for employees on 5/8 work schedule) on January 1 and will receive 10 hours or 9 hours or 8 hours credit (depending on work schedule) on November 1.

Floating holidays must be used within the fiscal year earned and may not be carried over from year to year. Floating holiday time not used by June 30<sup>th</sup> of each year will be forfeited by the employee.

There are two categories of employee classifications applicable to holidays:

Group A: Those who are off on holidays, and

Group B: Those employees who work holidays as part of their regular schedule.

#### Group A Classifications

Account Clerk I – Police  
Account Clerk II – Police  
Accounting Technician  
Administrative Analyst I/Police  
Administrative Analyst II/Police  
Administrative Clerk I – Police  
Administrative Clerk II – Police  
Administrative Technician – Police  
Crime Analyst I/II  
Police Emergency Services Technician  
Police Computer Forensics Technician  
Police Maintenance Coordinator  
Secretary-Police  
Police Training Specialist

#### Group B Classifications

Animal Services Officer  
Community Policing Technician

Community Service Officer I  
Community Service Officer II  
Senior Community Service Officer  
Police Property Control Clerk  
Lead Property Control Clerk  
Police Evidence Technician  
Police Dispatcher I  
Police Dispatcher II  
Police Dispatch Call-Taker  
Police Records Specialist I  
Police Records Specialist II

### Section 2 - Rules Applicable to Both Groups

The holidays shall have the same hour equivalent as the employee's regular work schedule up to a maximum of ten (10) hours. Thus, an employee on a 5/8 schedule would receive eight (8) hours of holiday pay or time off or leave bank credit, and an employee on a 4/10 schedule would receive ten (10) hours of holiday pay or time off or leave bank credit, and an employee on a 12 hour schedule would receive ten (10) hours of holiday pay or time off or leave bank credit. In this manner, employees on a modified work schedule (such as 4/10) do not have to supplement observed holidays off with paid personal leave.

Floating holidays may be used with prior written approval (which will not be unreasonably withheld).

### Section 3 - Rules Applicable to Group A Classifications

Employees in this group receive holidays off. Holidays are considered as time having been worked. Holidays cannot be moved off the observance day for particular employees and days off cannot be adjusted to avoid payment of holiday time.

Should the observed holiday fall on a regular day off, the employee will be entitled to the same number of hours as their regular shift and said holiday will be observed the first scheduled work day, prior to or after the holiday as designated by the employee's supervisor.

Employees called back to work on a holiday shall receive call-back pay and overtime at the rate of time and one-half for all hours worked.

In order to be eligible for a paid holiday, the employee must be in a paid status, both the day before and the day after the holiday.

#### Section 4 - Rules Applicable to Group B Classifications

Group B employees do not observe (are not automatically off on) holidays and may be scheduled to work on observed holidays. Employees in Group B shall receive their regular pay for the actual hours worked on a holiday. In addition, such employees shall also receive an equivalent amount of pay or compensatory time off, at the employees' election, in lieu of holiday compensation. The pay or compensatory time will be paid as 5.38 hours per pay period over 26 pay periods (the equivalent of 14 holidays at the regular rate of pay for a ten (10) hour shift).

Employees requesting equivalent time off in lieu of pay or compensatory time shall submit their request in writing to the Police Chief on or before July 1 of each year. Such requests shall include the dates the employee desires to be off using holiday time and cannot exceed the equivalent of the pay or compensatory time the employee would normally receive. All requests are subject to the approval of the Police Chief.

The City agrees to approve all leave requests for Memorial Day, Independence Day (July 4th), Christmas Day, Thanksgiving Day, and New Year's Day made by Group B employees, so long as such requests are made in accordance with Department Policy.

### **ARTICLE XVIII: RETIREMENT BENEFITS**

#### Section 1 - Participation

The City participates in the Public Employees' Retirement System (PERS).

##### **Tier I**

**Employees hired prior to July 1, 2011** will have the 2.5% @ 55 PERS Plan for Local Miscellaneous Members and upon retirement an employee's "final compensation" will be based on the highest one-year salary.

Effective the first full pay period in July 2011 employees in this group (pre-7-1-11) will pay three (3%) percent of the Employees' portion of the CALPERS retirement system. The City shall pay the remaining employee contribution (5%); provided, however said payments shall not exceed the full employee portion of 8%. These payments are not salary increases but are the City's payment of employees' retirement contribution in accordance with Section 414(h)(2) of the Internal Revenue Code.

For the purposes of any future comparisons of the level of compensation of employees covered by this agreement with comparable employees in other jurisdictions, these payments shall be taken into account along with measuring base salaries. These payments shall be credited to the employees' accounts with PERS.

##### **Tier II**

**Employees hired on or after July 1, 2011** will have the 2.0% @ 55 PERS Plan for Local Miscellaneous Members and upon retirement an employee's "final compensation"

will be based on the highest consecutive 36 month average for determining retirement benefits. Employees in this group (post 7-1-11) will pay the full employee portion of the CALPERS retirement system.

### **Tier III**

**Employees hired on or after January 1, 2013**, as is mandated by the Public Employee's Pension Reform Act of 2013 (PEPRA), all new miscellaneous members, will have a retirement formula based on 2.0% @ 62 Plan Full Formula for Miscellaneous Members and upon retirement an employee's "final compensation" will be based on the highest consecutive 36 month average. An employee in Tier III will pay 50% of Normal Costs. The amount is approved by CalPERS each year and is subject to change.

### **Section 2 - 1959 Survivor's Benefit**

The City provides the Level 4 of the Level 1959 Survivor's Benefit for all employees enrolled in the PERS. The full cost of this benefit shall be borne by the City.

### **Section 3 - PERS Military Buy-Back**

The agreement between the City and PERS shall allow for the buy-back of time served by the employee in the Military as defined under PERS Regulation Section 21024, Statutes of 1976.

### **Section 4 - Health Insurance for Retired Employees**

All employees hired prior to June 30, 1990, who retire from the City (i.e., begin to draw from their PERS retirement accounts) shall continue to be eligible for retiree health benefits. This consists of City contributions to medical insurance for retirement, after 10 years of City service, and dental insurance, for retirement after 20 years of City service, for both employee and spouse. Employees who are ineligible for City paid retiree health insurance may elect upon retirement to continue medical and dental coverage at their own expense through the City's medical and dental plans.

The City will reimburse eligible retirees for the cost of the standard "Part B" Medicare premium, which is \$134 per month in 2017, for those employees who elect such coverage. This amount is subject to change based on adjustments by the Federal government. This cost is automatically withdrawn from those employees' Social Security checks. Employees must supply the City with proof of payment of said coverage, and will be reimbursed on a quarterly basis. No retroactive reimbursements will be given.

### **Section 5 - Retirement Health Savings Program Joint Labor/Management Committee**

The City and members of PBA agree to form a joint labor/management committee, no later than July 1, 2018, to research/establish a retirement health savings program. Upon mutual agreement, the program would require both City and employee contributions to a retirement health savings program. (July 2017)

### **ARTICLE XIX: JURY DUTY**

The City agrees that when an employee's scheduled shift is other than a day shift, the Department Head has the discretion, based on public and employee safety considerations, to reassign said employee to the day shift for the duration of the jury duty obligation. For purposes of this section, a day shift shall be defined as one beginning no earlier than 5:00 a.m. and ending no later than 10:00 p.m.

### **ARTICLE XX: CALL BACK PAY**

The City will pay a minimum two (2) hours wages for each time an employee is called back to work after his/her regular shift is completed and he/she has left his assigned work site, and on holidays an employee is scheduled off.

### **ARTICLE XXI: DEDUCTION OF PAID LEAVE IN LIEU OF SUSPENSION**

Upon mutual written agreement between the Chief of Police and the affected employee, the employee may have an equivalent amount of unused accrued personal leave time deducted from his/her account in lieu of serving a suspension without pay for that period. Compensatory time off may not be deducted in lieu of serving a suspension.

### **ARTICLE XXII: REGULAR PART-TIME EMPLOYEES**

The Association will represent those regular classified twelve (12) month part-time employees ("classified" refers to those classifications formally adopted by City Council and incorporated into the City's classification plan) who share a community of interest with the existing PBA bargaining unit (hereinafter "Regular/Classified Part-time Employees or RCP employees"). Such employees shall also be eligible for benefits and other terms and conditions of employment as set forth in this MOU, except as provided herein. The parties expressly agree that Regular Part-time Employees do not include: (a) seasonal or temporary employees; or (b) employees who are either supervisory, management or confidential.

Regular/Classified Part-Time (RCP) Employees shall be eligible for personal leave on a pro rata basis (assuming eighty (80) hours per pay period equals one hundred percent (100%) and shall be paid for City designated holidays only if the holidays occur on days which they are regularly scheduled to work. The value of the holiday will be based on employee's normal scheduled hours for that day. RCP Employees shall not be eligible for longevity pay, or certificate bonuses. Part-time employment shall not count towards length of service for seniority or layoff purposes. Effective July 2014 RCP employees will be included in the annual service award program. RCP employees are eligible for the Public Agency Retirement System (PARS) or upon reaching 1,000 hours in a fiscal year the California Public Employees Retirement System (CALPERS). Employees will pay applicable employee portions.

In addition, Regular Part-time Employees shall only be eligible for PERS retirement benefits if they exceed one thousand (1,000) hours worked per fiscal year.



Regular Part-time Employees shall be eligible to participate in a Cafeteria Plan designated by the City, and shall receive a contribution equal to fifty percent (50%) of the benefit provided to Regular Full-Time Employees. The benefits for this plan shall include medical insurance, dental insurance and life insurance. Employees who do not utilize the full dollar amount of the City's contribution in selecting benefits in the plan, shall receive the unused portion as "cash back."

To the extent that the parties have failed to list any other benefits contained in the MOU or the City's Personnel Rules and Regulations, it is their intent that such benefits and conditions would apply to Regular Part-time Employees on a pro-rata basis where such benefits are conditioned upon, or in any way related to hours worked or length of service.

### **ARTICLE XXIII: COMPENSATION FOR ACTING APPOINTMENTS**

Subject to the following conditions, an employee who is required on the basis of an acting appointment to serve in a class with a higher salary range than that of the class in which the employee is normally assigned shall receive the entrance salary rate of the higher salary range or the rate of five percent (5%) higher than the employee normally receives, whichever is greater.

- a) Such pay will be for all hours worked in an acting appointment which are in excess of 80 hours in any floating six-month period.
- b) The employee must perform all the duties and assume all the responsibilities of the higher class.
- c) Compensation for acting appointments shall be limited to the temporary filling of a vacant regular position due to termination, promotion, or extended sick leave of the incumbent or the temporary filling of a newly budgeted position, where the needs of the City require that the position be filled.
- d) The City Manager must approve all such appointments based upon a finding that the criteria set forth in this paragraph have been met.

### **ARTICLE XXIV: HEALTH AND SAFETY COMMITTEE**

A joint labor/management committee shall be established with equal Association and City representatives to discuss safety and health issues on a monthly or quarterly basis or as otherwise determined by the committee. The committee shall be comprised of an equal number of representatives from the Yard, City Hall and PBA units.

### **ARTICLE XXV: LAYOFFS**

The City agrees to consult with the Association after providing at least 14 calendar days' notice of any intent by the City to institute layoffs and/or furloughs which are applicable to this unit.

## **ARTICLE XXVI: ACCESS TO WORK LOCATIONS**

The parties recognize and agree that in order to maintain good employee relations, it is sometimes necessary for Representatives of the Association to confer with City employees during working hours.

Therefore, Representatives will be granted access to work locations during regular working hours to investigate and process grievances or appeals when so necessary. Representatives shall be granted access upon obtaining authorization from the appointing authority or designated management representative prior to entering a work location and after advising of the general nature of the business. However, the appointing authority or designated management representative may deny access or terminate access to work locations if in their judgment, it is deemed that the visit would interfere with the efficiency, safety, or security of City operations. The appointing authority shall not unreasonably withhold timely access to work locations. The appointing authority shall insure that there is at all times someone designated who shall have full authority to approve access. If a request is denied, the appointing authority or designated management representative shall establish a mutually agreeable time for access to the employee.

Representatives granted access to work locations shall limit such visits to a reasonable period of time, taking into consideration the nature of the grievance or appeal.

The appointing authority or designated management representative may mutually establish with the Association's Representative reasonable limits as to the number of visits authorized with the same employee on the same issue, and reasonable limits as to the number of employees who may participate in a visit when several employees are affected by a specific issue. The City shall not unduly interfere with the Association's Representative access to work locations.

## **ARTICLE XXVII: ONE TIME CASH PAYMENT**

Effective October 9, 2021, each employee/classification in the PBA group shall receive a one-time signing bonus amount of \$1,083.32 (an overall average of 2.0% of the group's base salary) paid via direct deposit with the employee's normal paycheck.

## **ARTICLE XXVIII: CALL OUT/STANDBY**

The Animal Services Officer classification shall receive \$200 per week for all weeks that the position is required to be on standby duty. The Police Evidence Technician classification shall receive \$300 pay or eight (8) hours of compensatory time off (Association member's choice) for each week (prorated for any portion thereof) of standby duty (July 2021). The employees in the above classifications must be able to respond and provide emergency support within two hours of receiving a call.

Take Home Vehicle: Effective July 1, 2013 Animal Services Officers and Police Evidence Technicians who are on Call Out/Standby shall be provided a take-home vehicle. The vehicle may only be used for official City business. The Chief of Police or designee may rescind if the departments needs require the use of the vehicle. The storing of the vehicle and equipment contained in the vehicle must be in compliance with Police Department Policy.

#### **ARTICLE XXIX: TRAINING PAY**

Effective July 1, 2011, all Association members assigned a trainee (new Police Department employee or Dispatch sit-along) by the Chief of Police or his designee shall receive 5% special pay for actual time spent training. The trainer will be a non-probationary employee at the journey level (no one (I) level classifications will be assigned a trainee). Those assigned as a Trainer will be required to sign the Police Department's Special Assignment/Trainer Agreement. The City will not report compensation for Dispatch sit-alongs as special compensation to CalPERS.

#### **ARTICLE XXX: RECRUITMENT BONUS**

All Association members shall be eligible for a \$500 recruitment bonus for the recruitment and retention of new full-time Police Department Personnel. Said recruitment bonus shall be paid as follow: (1) \$250 at time of initial hire, (2) \$250 at successful completion of the probationary period. Employees assigned to the Personnel and Training Unit or a special recruitment event, are not eligible for this bonus. Employee must sign the initial application referral form to be eligible.

#### **ARTICLE XXXI: WELLNESS**

Effective July 1, 2013, the City shall allow all employees represented by the PBA use of the Miller Fitness Center and the Jesse Turner Health & Fitness Centers (**ONLY**) at no cost to the employee. Use of the centers is at each employee's own risk and subject to the rules and regulations and hours of operation determined by the Community Services Department. Employees **MUST** show City issued ID to obtain access. Violation of any safety rule or regulations shall constitute valid grounds for revocation of the privilege of the Fitness Center usage, not subject to grievance.

#### **ARTICLE XXXII: SALARY SURVEY**

A "Benchmark" salary survey will be conducted six (6) months prior to the next negotiations process and concluded by March 31, 2021. The PBA representatives will be included in the discussions of the cities and the benchmark classifications that will be utilized in the survey. The final survey documents will be reviewed and discussed with the PBA representatives.

As a result of the 2017 Salary Survey, the City agrees to change the title of the Police Records Clerk I and II positions to Police Records Technician I and II, and conduct a review of the job description. Both of these items will be implemented by March 2018.

The City also agrees to conduct a job audit of the Animal Services Officer classification and implement a career ladder for this series as a result of the 2017 Salary Survey.

### **ARTICLE XXXIII: SEVERABILITY**

If any article or section of this MOU shall be found to be in conflict with any statute or regulation of the United States or the State of California by a court of competent jurisdiction, such article shall be deemed null and void and of no further effect. However, such articles and sections shall be severable from the remainder of this MOU, and all other provisions hereof shall continue in full force and effect.

### **ARTICLE XXXIV: EMPLOYMENT-RELATED UPDATES**

During the term of the MOU, a joint labor/management committee (including PBA members) shall meet and confer on the City's proposed changes to the Employer-Employee Relations Resolution, as well as proposed legally required updates to the City of Fontana Personnel Rules and Regulations.

### **ARTICLE XXXV: EDUCATION EXPENSE**

PBA members will continue to receive educational expense reimbursement as indicated in the Personnel Rules and Regulations, Rule XVI Section 4, as the Department budget allows.

### **ARTICLE XXXVI: DIRECT DEPOSIT**

Any and all payments outside of regular pay will be paid via direct deposit.

### **ARTICLE XXXVII: DEFERRED COMPENSATION**

Effective the beginning of the pay period following July 1, 2022, the City shall match employee contributions of up to \$200/month into a 457(b) account managed by one of the City's 457(b) providers (July 2021).

The parties agree that during the term of this agreement, this article may be reopened for the purposes of discussing the City's deferred compensation program, but not an increase to the specific contribution amounts.

Ratified by City Council: Tentative Agreement on September 14, 2021, Closed Session  
Official Ratification on September 28, 201, Consent Calendar

**CITY OF FONTANA**

**POLICE BENEFIT ASSOCIATION**

## **APPENDIX A**

Account Clerk I – Police  
Account Clerk II – Police  
Accounting Technician  
Administrative Analyst I – Police  
Administrative Analyst II – Police  
Administrative Clerk I – Police  
Administrative Clerk II – Police  
Administrative Technician – Police  
Animal Services Officer  
Community Policing Technician  
Community Service Officer I  
Community Service Officer II  
Crime Analyst I  
Crime Analyst II  
Lead Police Dispatcher  
Lead Property Control Clerk  
Police Computer Forensics Technician  
Police Dispatch Call Taker  
Police Dispatcher I  
Police Dispatcher II  
Police Evidence Technician  
Police Maintenance Coordinator  
Police Property Control Clerk  
Police Records Specialist I  
Police Records Specialist II  
Police Training Specialist  
Secretary – Police  
Senior Community Services Officer

**RESOLUTION NO. 2021 -**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA  
RATIFYING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE  
CITY OF FONTANA AND THE FONTANA POLICE BENEFIT ASSOCIATION**

**WHEREAS**, the City Council of the City of Fontana has adopted Memoranda of Understanding (MOU) which incorporate the terms, working conditions, and compensation levels for the City's represented bargaining groups; and

**WHEREAS**, a MOU has expired, and the City and this labor group have agreed on new terms outlined in the new MOU.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Fontana, to ratify the Memorandum of Understanding between the City of Fontana and the Fontana Police Benefit Association.

**EFFECTIVE DATE:** July 1, 2021

**APPROVED AND ADOPTED** this 26<sup>nd</sup> day of October, 2021.

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

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City Attorney

I, Tonia Lewis, City Clerk of the City of Fontana, and Ex-Officio Clerk of the City Council, do hereby certify that the foregoing Resolution is the actual Resolution duly and regularly adopted by the City Council of said City at a regular meeting thereof, held on October 26, 2021, 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

Resolution 2021-

**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 #:** 21-885

**Agenda #:** A.

**Agenda Date:** 9/28/2021

**Category:** Public Hearing

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**FROM:**

Management Services

**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 the 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. 2021-\_\_\_**, 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 correcting problems immediately.
- 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:

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Type of Account	Number of Properties	Current Lien Amount	Receivables Protected to Date
Sewer	141	\$64,508.33	\$3,671,995.76
Rubbish*	932	\$121,217.99	\$7,530,031.75
Weed Abatement	0	\$0.00	\$3,400,236.81

\*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.

The City Treasurer has reviewed and supports this action.

**FISCAL IMPACT:**

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 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 28, 2021

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 03, 2021  
SEPTEMBER 10, 2021

PROOF OF PUBLICATION REQUESTED

CITY OF FONTANA 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.

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 28, 2021

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 03, 2021  
SEPTEMBER 10, 2021

PROOF OF PUBLICATION REQUESTED

CITY OF FONTANA FONTANA, CALIFORNIA

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DATE OF HEARING: SEPTEMBER 28, 2021

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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 03, 2021  
SEPTEMBER 10, 2021

PROOF OF PUBLICATION REQUESTED

## **RESOLUTION NO. 2021-**

### **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 28-1 *et. seq.*;

**WHEREAS**, at its meeting on September 28, 2021, 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 shall be paid to the City no later than September 28, 2021. Any expenses and other costs noted on the Statement which remain unpaid to the City after September 28, 2021 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 28, 2021 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 28th day of September, 2021.

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

Resolution No. 2020-

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City Attorney

I, Tonia Lewis, 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 28<sup>nd</sup> day of September, 2021 by the following vote to-wit:

**AYES:**

**NOES:**

**ABSENT:**

---

City Clerk of the City of Fontana

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Mayor of the City of Fontana

**ATTEST:**

---

City Clerk



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-886

**Agenda #:** B.

**Agenda Date:** 9/28/2021

**Category:** Public Hearing

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**FROM:**

Planning

**SUBJECT:**

Appeal No. 21-003: A request to overturn the Planning Commission's decision on July 6, 2021, approving Master Case No. 21-034 for Design Review No. 21-003 pursuant to a CEQA Guidelines Section 15332 Categorical Exemption for the development of an approximately 4.07 acre site with a proposed warehouse building totaling approximately 92,433 square feet located on the northwest corner of Valley Boulevard and Catawba Avenue at 15894 Valley Boulevard (APN: 0235-141-04)

**RECOMMENDATION:**

Deny Appeal No. 21-003, and uphold the Planning Commission's decision on July 6<sup>th</sup>, 2021, approving Master Case No. 21-034 for Design Review No. 21-003 pursuant to a California Environmental Quality Act ("CEQA") Guidelines Section 15332 Categorical Exemption for the development of an approximately 4.07 acre site with a proposed warehouse building totaling approximately 92,433 square feet located on the northwest corner of Valley Boulevard and Catawba Avenue at 15894 Valley Boulevard (APN: 0235-141-04).

**COUNCIL GOALS:**

- To create a team by working together to provide stability and consistent policy direction.
- To create a team by communicating Goals and Objectives to all sectors of the community.

**DISCUSSION:**

On July 20, 2021, Janet Meza, filed an appeal (Appeal No. 21-003) of the Planning Commission's approval of Master Case No. 21-034 on July 6, 2021. (Attachment No.1).

On July 6, 2021, the Planning Commission held a public hearing and after hearing public comments and consideration of the evidence presented, they approved Master Case No. 21-034 for Design Review No. 21-003 along with the adoption of a Categorical Exemption, pursuant to Section 15332, Class 32, (In-Fill Development) of the California Environmental Quality Act (CEQA) all for the development of an approximately 4.07 acre site with a proposed warehouse building totaling approximately 92,433 square feet on the northwest corner of Valley Boulevard and Catawba Avenue at 15894 Valley Boulevard (APN: 0235-141-04).

***Appeal:***

On July 20, 2021, the applicant, Janet Meza and family, submitted an appeal application and letter (Attachment No 1) asserting that the development proposed in Master Case No. 21-034 does not qualify for a Categorical Exemption from CEQA pursuant to CEQA Guidelines Section 15332

because it would not meet the required thresholds. Additionally, the appeal letter asserts that there will be negative air quality impacts due to truck traffic to and from the development proposed in Master Case No. 21-034 and existing distribution and logistics warehouse in the adjacent area, such that further analyses should be prepared. The appeal letter also mentions that the requirements of MM-GHG-1 in Table 2-2 of the Mitigation Monitoring Report (“MMRP”) of the Environmental Impact Report for the City of Fontana General Plan (“General Plan EIR”), recommends as a best management practice that the City consider requiring projects to reduce GHG emissions by of 28.5 percent below baseline conditions, were not determined to be met.

In a letter prepared by the project applicants’ legal council consultant (Attachment No.75) Amanda Monchamp of Monchamp Meldrum LLP (the Applicant’s legal counsel) it documented that the Planning Commission determined that the use of the Categorical Exemption for in-fill development in CEQA Guidelines Section 15332 was appropriate based on substantial evidence in the Categorical Exemption Report prepared for the Project, dated April 2021 (Attachment No. 10). The Categorical Exemption Report includes the CEQA Technical Memorandum for the Project, and supporting technical studies, which include a Trip Generation Assessment, a Noise Impact Analysis, a Vehicle Miles Traveled (VMT) Screening Analysis, and an Air Quality, Greenhouse Gas, and Health Risk Assessment (Air Quality Report).

Mrs. Monchamp’s letter also states, “Contrary to Appellant’s characterization of a Categorical Exemption as a “CEQA due process workaround,” Categorical Exemptions apply as a matter of law to certain classes of projects that have been determined to not have a significant effect on the environment by California’s Natural Resources Secretary.”

As outlined in Guidelines Section 15332, the Class 32 Categorical Exemption for in-fill development exempts from CEQA review projects that meet the following requirements:

- (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
- (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.
- (c) The project site has no value, as habitat for endangered, rare or threatened species.
- (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.
- (e) The site can be adequately served by all required utilities and public services.

Here, as noted in Mrs. Monchamp’s letter, the development proposed in Master Case No. 21-034 meets all of the above-listed requirements provided per CEQA. Further, the additional technical studies completed by the applicant’s team are studies not typically required for a CEQA Guidelines Section 15332 Categorical Exemption but provide additional evidence that this proposed development would not have impacts on the environment and meets the requirements for the Categorical Exemption.

Further, Ms. Monchamp’s letter addresses the appellant’s assertion that the City should have a GHG emissions reduction of 28.5%, stating that it is “at odds” with the California Supreme Court’s decision in *Center for Biological Diversity v. Department of Fish and Wildlife* (2015) 62 Cal.4th 204. The validity of General Plan EIR MMRP Table 2-2, MM-GHG-1, is not at issue here because the time to



challenge the General Plan EIR has long since passed, and regardless of the General Plan EIR, the Project is categorically exempt from CEQA review.

Finally, Ms. Monchamp's letter address the appellant's contention that approval of the proposed development should be delayed "until a full health and safety accounting" of the Project can be made public, stating that, as indicated in the Air Quality Report, the proposed development is below the screening threshold triggering the requirement for a Health Risk Assessment.

Moreover, the Applicant has agreed to proactively agree to additional specific conditions of approval (Attachment No. 8) to further reduce the proposed development's already less than significant air quality impacts, as provided.

**FISCAL IMPACT:**

None.

**MOTION:**

Approve staff recommendation

July 20, 2021

To Whom It May Concern:

We are submitting this letter to appeal the decision of the Planning Commission on July 6, 2021 approving application MCN 21-034 to construct a 92,433 square foot warehouse on 4.07 adjusted gross acres ("Project"). We believe that this approval is improper because an environmental report was not completed for the Project, and the CEQA exemption the City has used does not apply to this Project.

It's no secret that developers and their government henchmen have been playing fast and loose with CEQA laws over the past decade, especially here in Fontana in regards to warehouse distribution centers.

Along with zone changes, the manipulation of CEQA has dealt an environmental blow to the young people of the Inland Empire.

Focusing here in Fontana, along with the increased truck traffic that is in direct competition to pedestrian safety, courtesy, and pollution impacts, we are now seeing links to childhood obesity, linked to pollution from vehicles:

<https://www.theguardian.com/environment/2018/nov/04/childhood-obesity-linked-to-air-pollution-from-vehicles>

As well as research studies showing that "Mouse Lung Structure and Function after Long-Term Exposure to an Atmospheric Carbon Dioxide Level Predicted by Climate Change Modeling" which "suggests that the early life period, when lungs are undergoing rapid growth and development, is particularly sensitive to CO<sub>2</sub>".

<https://ehp.niehs.nih.gov/doi/10.1289/EHP7305>

In our last appeal, the city council once again approved a warehouse, ignoring the science at hand, with an attempt at science based procedural justifications. In our present appeal, we challenge the Council on both science and law.

Design Review No. 21-003 demands an environmental impact report. The CEQA exemption is not appropriate because regardless of the size of the project, not doing a CEQA review means that the City would not adequately address the cumulative environmental, safety, and traffic impacts that this project will bring to Fontana and San Bernardino County. As stated by the Court in Center for Biological Diversity v. California Department of Fish and Wildlife, environmental decisions must be "supported by a reasoned explanation based on substantial evidence." The community and adjoining property homeowners, appeal that with or without a CEQA requirement, the basic threshold has not been met. This appeal demands that threshold

be met either with the reasonable equivalent of a CEQA to "support a reasoned explanation based on substantial evidence".

Our standing, along with fee waiver, comes from a neighbor, (Juan Carlos Areman: 9986 Almeria Ave. Fontana CA 92335, and Janet Meza: 9994 Almeria Ave, Fontana CA 92335) directly adjacent to the proposed development, as well as our community organization's standing as mothers, fathers, and stakeholders in the Fontana community, that have been caught between the moneyed interests of developers, and a gaslit defense played by the city council.

Here, the developer is allowed to avoid CEQA, due to exemptions that can be argued for based on size (a mere 92,000 square feet, with proximity to both long-standing Fontana neighborhoods and an elementary school). We demand to have the city council ask the city attorney to take the community step-by-step through their CEQA due process workarounds that are in use by the developer. Via the use of the exemption, it is impossible to determine whether the Project is meeting the requirements of MM-GHG-1 of the City of Fontana's 2015-2035 General Plan which requires a reduction of 28.5 percent below baseline conditions. But that is at odds with the legal precedent of the State Supreme Court's threshold for analysis in *Center for Biological Diversity v. California Department of Fish and Wildlife*. There is also an interest to cite the updated scientific research that we set forth above, along with the science in our previous appeal:

<https://www.scientificamerican.com/article/what-you-know-about-trumps-assault-on-science-was-just-the-tip-of-the-iceberg/>

In addition, we demand that the true costs of the cumulative effects, of all Fontana warehouse developments over the past ten years, be studied and released to the community, so that damages can be determined.

Finally, we demand for the health and safety of the community, that the city council approve our appeal and stop this latest development from moving forward, until a full health and safety accounting of this project can be made public during the school year, so parents can be informed.

What Inland Empire stakeholders, especially here in Fontana, are finding out, is that government officials no longer have any courtesy for their community. This is the second project this summer, where a warehouse is being approved close to a Fontana school. It is no coincidence that these projects are presented during the summer, during a pandemic, when kids are out of school.

Respectfully,  
Janet Meza & Family  
Adjoining Property Homeowners



Project Site



**CITY OF FONTANA** **PLANNING DEPARTMENT**

## VICINITY MAP

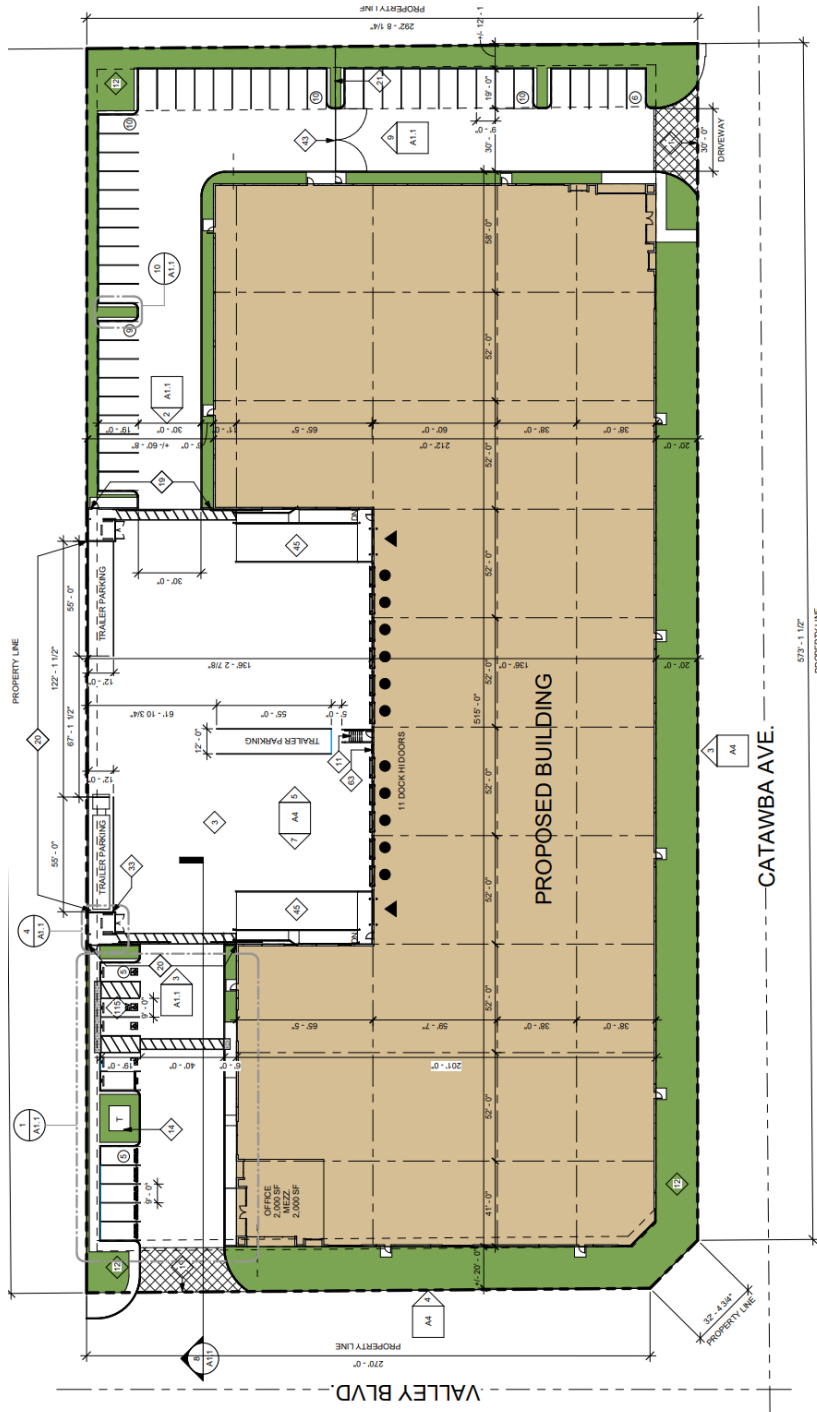
DATE: September 28, 2021

CASE: Appeal No. 21-003

# Site Plan

DATE: September 28, 2021

CASE: Appeal No. 21-003





WEST ELEVATION



EAST ELEVATION



NORTH ELEVATION



SOUTH ELEVATION



NORTHEAST OFFICE CORNER @ CATAWBA AVE.

## Elevations

DATE: September 20, 2021

CASE: Appeal No. 21-003





# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### Planning Commission

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**File #:** 21-707  
**Agenda #:** PH-B

**Agenda Date:** 7/6/2021  
**Category:** Public Hearing

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**FROM:**

Community Development

**TITLE:**

Master Case No. 21-034; Design Review Project No. 21-003 - A request to review and approve a site and architectural review of an approximately 92,433 concrete tilt-up warehouse building.

**RECOMMENDATION:**

Based on the information contained in this staff report, and subject to the attached Findings and Conditions of Approval staff recommends that the Planning Commission adopt Resolution PC No. 2021 - \_\_\_, to:

1. Determine that the project is Categorically Exempt pursuant to Section No. 15332, Class 32, (In-Fill Development) of the California Environmental Quality Act and per Section No. 3.18 of the 2019 Local Guidelines for Implementing the California Environmental Quality Act, direct staff to file a Notice of Exemption; and,
2. Approve Design Review No. 21-003.

**APPLICANT:**

9<sup>th</sup> Street Partners  
P.O. Box 3388  
Manhattan Beach, CA 90266

**LOCATION:**

The project site is located on the northwest corner of Valley Boulevard and Catawba Avenue at 15894 Valley Boulevard (APN: 0235-141-04).

**REQUEST:**

A site and architectural review of an approximately 92,433 concrete tilt-up warehouse building.

**PROJECT PLANNER:**

Paul Gonzales, Senior Planner

I. BACKGROUND INFORMATION:

A. Land Use Designation:

	<b>General Plan</b>	<b>Zoning</b>	<b>Existing Land Use</b>
<b>Site:</b>	Light Industrial (I-L)	Light Industrial (M-1)	Vacant
<b>North:</b>	Residential Single Family (R-SF)	Single Family Residential (R-1)	Single Family Homes
<b>South:</b>	Light Industrial (I-L)	Light Industrial (M-1)	Warehouse Building
<b>East:</b>	General Commercial (C-G)	General Commercial (C-2)	Car sales and Res. Homes
<b>West:</b>	Light Industrial (I-L)	Light Industrial (M-1)	Trucking & Industrial uses

B. Environmental Review Finding:

The project qualifies for a Categorical Exemption, pursuant to Section 15332, Class 32, (In-Fill Development) of the California Environmental Quality Act CEQA) and Section 3.01(f) of the City of Fontana 2018 Local Guidelines for Implementing the California Environmental Quality Act.

II. PROJECT DESCRIPTION:



A. Site Area: 4.07 adjusted gross acres for the warehouse site.

B. Building/Unit Analysis:

Building	Warehouse Area	Office
Building A	92,433 sq. ft.	2,000 sq. ft.

C. Setback and FAR Analysis:

Development Standards Building	Required	Proposed Building	Meets Requirements
<i>Setbacks:</i>			
Valley Boulevard (Industrial Collector)	20 ft. Min.	20 ft.	Yes
Catawba Avenue (Local Street)	20 ft. Min.	20 ft.	Yes
<i>Floor Area Ratio Maximum</i>	0.60 Max	53.1	Yes

D. Parking Analysis:

**Vehicle Parking**

Building	Parking Required	Parking Provided
Building	41	55
<b>Meets requirements</b>	<b>Yes</b>	

E. Landscaping:

Building	Landscaping Required	Landscaping Provided
Building	15%	27.4%
<b>Meets requirements</b>	<b>Yes</b>	

**III. ANALYSIS:**

The applicant, 9th Street Partners, is requesting that the Planning Commission review and approve the proposed project for site and architectural review for the development of a concrete tilt-up warehouse building totaling approximately 92,433 square feet on a vacant site. Pursuant to Section 30-116 of the Fontana Zoning and Development Code, a design review approval from the Planning Commission is required for the development of industrial buildings over 49,999 square feet.

**Design Review No. 20-003:**

The design review application is a proposal for site and architectural review of a new concrete tilt-up warehouse building totaling approximately 92,433 square feet. The building is proposed with a 2,000 square foot office area. Drive aisles and vehicular parking will be located along the perimeter of the building.

The proposed modern design for the building incorporates towers with decorative metal mullions, glass, painted bands, reveals, metal canopies, decorative lighting, and pop-outs to provide structural and visual interest and depth. Additionally, variations to the building roofline are incorporated to add architectural interest. The tower elements along the corners of the building will break up the massing of the buildings therefore creating a more vibrant and aesthetically pleasing design. The building is consistent with the architecture standards listed in the Zoning and Development Code. The applicant has proposed a modern design architecture with the use of charcoal colored and concrete panels comprised of White, and Gray shades on the facades. Under the proposed mullions at the entry ways, the applicant is proposing decorative lighting and accenting wood façades.

Additionally, proposed landscape and trees along the public right-of-way will soften the elevations to create a more visually aesthetic and pleasing streetscape. The surrounding area is currently developed with a combination of industrial, warehouse, trucking, and existing residential uses. The truck bay was strategically located away from the existing residential to the north. The proposed warehouse with articulated design, loading docks screened on the rear portion of the site, and additional landscaping will be an improvement to the site and surrounding area.

**MOTION:**

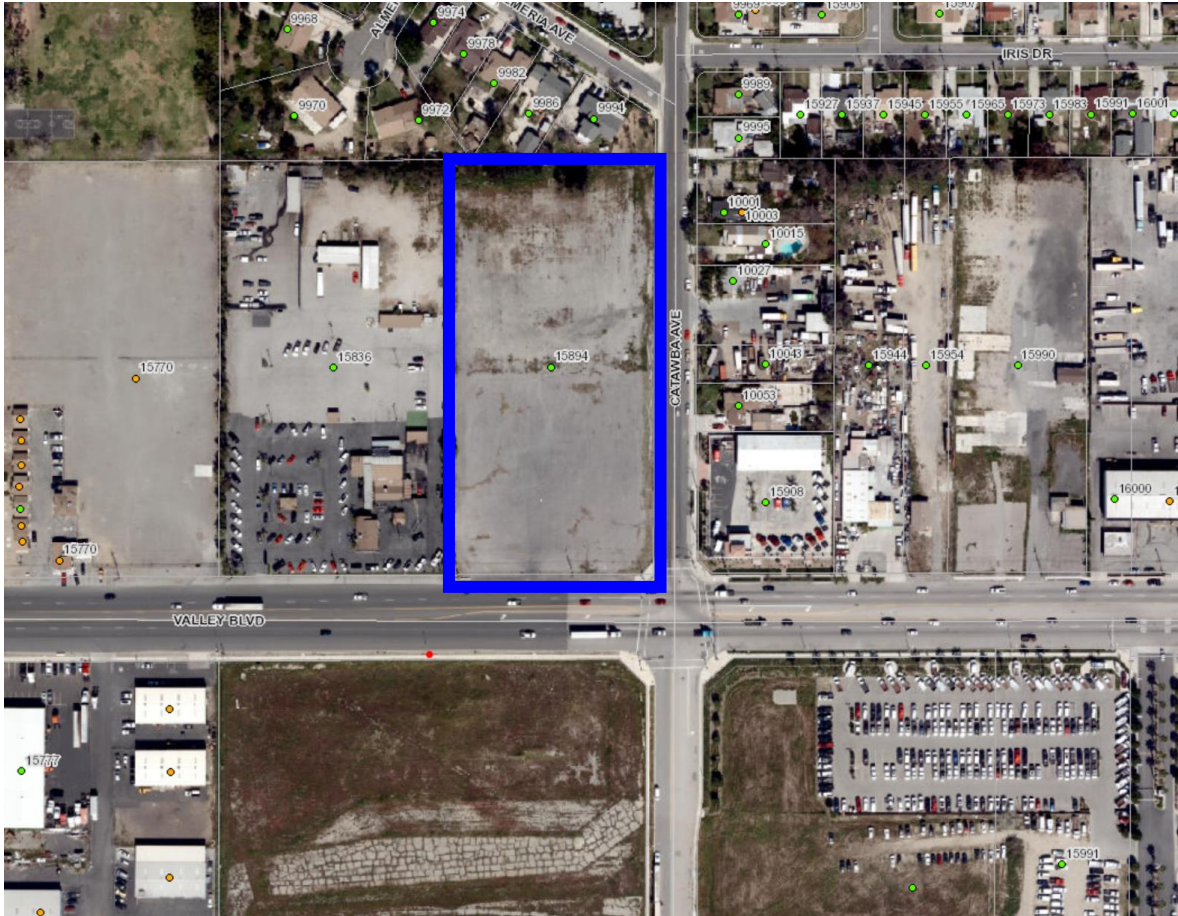
Approve staff recommendation.

**ATTACHMENTS:**

1. Vicinity Map
2. Site Plan
3. Elevations
4. Rendering
5. Planning Commission Resolution 2021-\_\_\_\_\_
6. Notice of Exemption
7. Public Hearing Notice

**UNDER SEPARATE COVER:**

1. Colored 11 x 17 Site Plan and Elevations



**PLANNING DIVISION**

**CITY OF FONTANA**

## VICINITY MAP

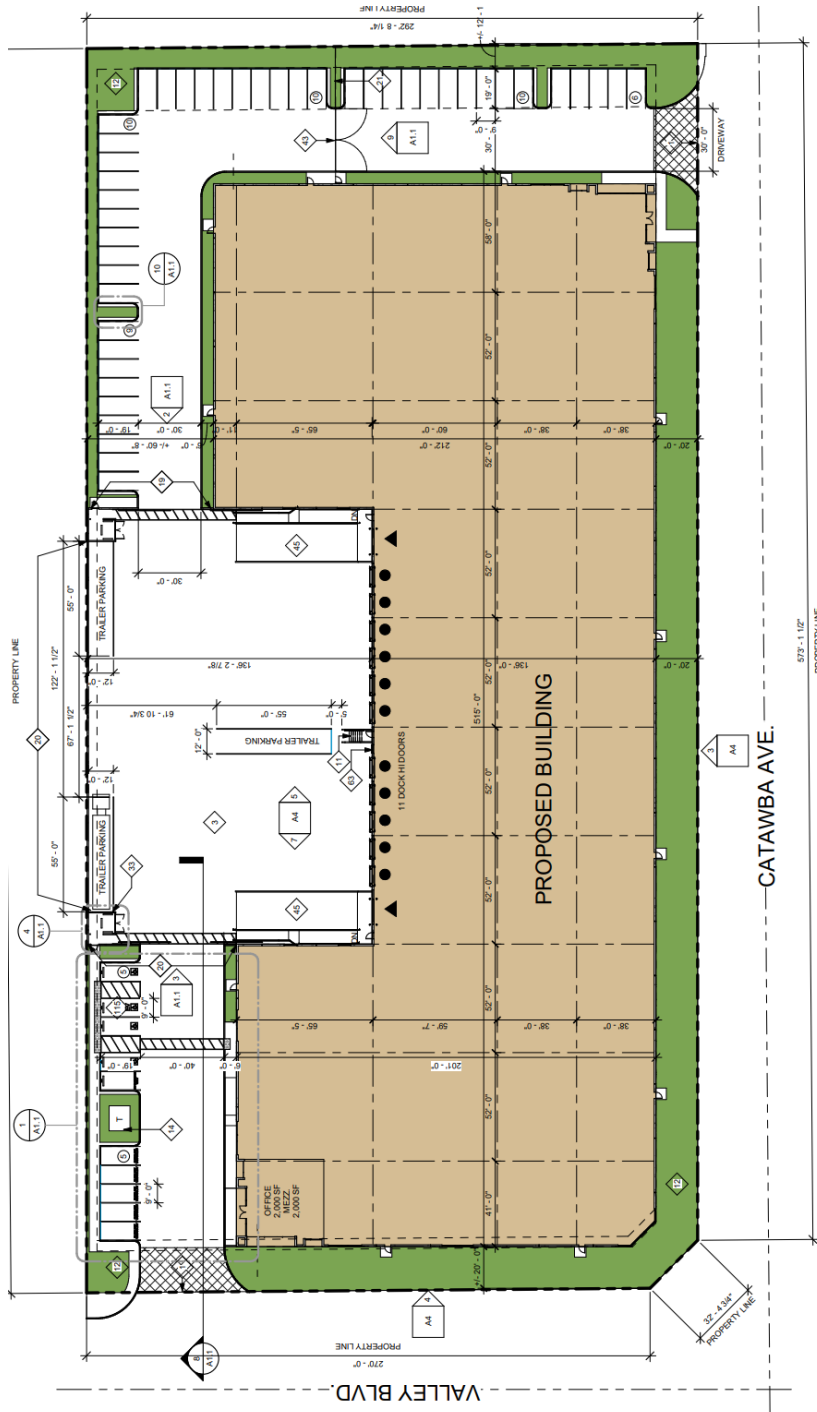
DATE: July 6, 2021

CASE: Master Case No. 21-034  
Design Review No. 21-003

# Site Plan

DATE: July 6, 2021

CASE: Master Case No. 21-034  
Design Review No. 21-003





WEST ELEVATION



EAST ELEVATION



NORTH ELEVATION



SOUTH ELEVATION



ENLARGED EAST ELEVATION

## Elevations

DATE: July 6, 2021

CASE: Master Case No. 21-034  
Design Review No. 21-003





NORTHEAST OFFICE CORNER @ CATAWBA AVE.



SOUTHEAST CORNER @ CATAWBA AVE.

**PLANNING DIVISION**

**CITY OF FONTANA**

**Rendering**

DATE: July 6, 2021

CASE: Master Case No. 21-034  
Design Review No. 21-003

**RESOLUTION PC NO. 2021-\_\_\_\_\_**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF FONTANA APPROVING DESIGN REVIEW NO. 21-003 FOR A WAREHOUSE BUILDING TOTALING APPROXIMATELY 92,433 SQUARE FEET ON 4.07 ADJUSTED GROSS ACRES FOR A PROPERTY LOCATED ON THE NORTHWEST CORNER OF VALLEY BOULEVARD AND CATAWBA AVENUE (ACCESSOR PARCEL NUMBERS (APN 0235-141-04)).**

**WHEREAS**, the City of Fontana received an application on January 27, 2021, for Design Review No. 21-003 for the development of a warehouse building totaling approximately 92,433 square feet.

**Project Applicant:** 9<sup>th</sup> Street Partners  
PO Box 3388  
Manhattan Beach, CA 90266

**Project Location:** On the northwest corner of Valley Boulevard and Catawba Avenue at 15894 Valley Boulevard (APN: 0235-141-04).

**Site Area:** 4.07 adjusted gross acres

**WHEREAS**, the proposed project would accommodate the improvements required for street, sidewalk, lighting, and parkway for the proposed project site; and

**WHEREAS**, pursuant to the California Environmental Act (CEQA), the project qualifies for a Categorical Exemption, pursuant to Section 15332, Class 32, (In-Fill Development) of the California Environmental Quality Act (CEQA) and Section 3.01(f) of the City of Fontana 2018 Local Guidelines for Implementing the California Environmental Quality Act.

**WHEREAS**, the subject site was annexed from San Bernardino County into the City of Fontana on March 2, 1979; and

**WHEREAS**, pursuant to Chapter 30, Article II, Section 30-118 of the City of Fontana Zoning and Development Code, Design Reviews require approval by the Planning Commission; and

**WHEREAS**, the City of Fontana wishes to protect and preserve the quality of the life throughout the City, through effective land use and planning; and

**WHEREAS**, Conditions of Approval have been prepared and attached hereto as Exhibit "A" for the Design Review Project No. 21-003; and

**WHEREAS**, the owners of property within 660 feet of the proposed project site were notified via public hearing notice mailer prior to the Public Hearing; and a notice of

the public hearing was published in the local *The San Bernardino Sun* newspaper on June 25, 2021, posted at City Hall and at the project site; and

**WHEREAS**, the Commission carefully considered all information pertaining to the proposed projects, including the staff report, findings, and all the information, evidence, and testimony presented at its public hearing on July 6, 2021; and

**WHEREAS**, all other legal prerequisites to the adoption of this resolution have occurred.

**NOW, THEREFORE**, the Commission RESOLVES as follows:

**Section 1. Recitals.** The above recitals are incorporated herein by reference.

**Section 2. Findings on Design Review.** The City of Fontana Planning Commission hereby makes the following findings for the Design Review No. 21-003 in accordance with Section 30-120 "Findings for approval" of the Fontana Zoning and Development Code:

**Finding No. 1:       The proposal is consistent with the General Plan, Zoning and Development Code, and any applicable Specific Plan.**

Findings of Fact:    The proposal is for a design review for the development of a warehouse building totaling approximately 92,433 square feet on 4.1 adjusted gross acres. The use of architectural elements on the facades and pop outs create depth and interest, and towers will add structural and visual interest to the building that conforms to the Zoning and Development Code.

Furthermore, the site and building design comply with the criteria contained in the design review section of the Fontana Zoning and Development Code. The project has high quality architectural design, appropriate screening comprised of screen walls and landscaping that will be an appropriate and desirable development.

The proposed project is consistent with the General Plan Land Use Designation for the project site, because the proposed project is for a warehouse use, which is allowed in the Light Industrial (I-L) land use district of the General Plan as cited in Chapter 15. Furthermore, the proposed building is designed in a manner that limit off-site impacts; in that, the dock area is located in the interior of the site and there is sufficient stacking distance along all the driveways. Therefore, the proposed warehouse project is consistent with the General Plan Land Use and Zoning Designation.



**Finding No. 2:**        **The proposal meets or exceeds the criteria contained in Chapter 30 of the Zoning and Development Code and will result in an appropriate, safe and desirable development promoting the public health, safety, and welfare of the community.**

Findings of Fact:     The proposal as mentioned in Finding No. 1 has been designed to in a manner that is consistent with the Zoning and Development Code design guidelines that results in a safe and desirable community. Improvements for the project include drainage, lighting, sidewalks, and grading to provide a safe and well-designed project in the neighborhood. The project will also include new sidewalk improvements along Valley Boulevard and Catawba Avenue; as well as, new driveway locations to further improve the site and to make this area safer for patrons of businesses nearby.

**Finding No. 3:**        **The proposal, in its design and appearance, is aesthetically and architecturally pleasing resulting in a safe, well-designed facility while enhancing the character of the surrounding neighborhood.**

Findings of Fact:     The proposed building as referenced in Finding No. 1 will use glazed windows, pop outs, reveals, decorative metal elements, and tower elements will add structural and visual interest to the building. Additionally, variations to the building roofline are incorporated to add architectural interest. The tower elements will break up the massing of the building creating a more vibrant and aesthetically pleasing design.

In addition, the landscaping and trees will create a more visually aesthetic view from the public right-of-way. The project includes screening walls in the truck dock area along the south as method for screening along with a landscape planter to accommodate planted in 36-inch boxes. The surrounding neighborhood is currently developed with a combination industrial, commercial, and residential uses. Thus, the proposed warehouse that includes an articulated design, loading dock that is screened in the interior portion of the site, and additionally, the building and office vehicle parking are strategically located adjacent to the existing homes on the northside.

**Finding No. 4:**        **The site improvements are appropriate and will result in a safe, well-designed facility.**

Findings of Fact:     The proposal as mentioned in Findings No. 1 through 4 will result in the construction of a 92,433 square foot warehouse building pursuant to all applicable building, zoning, and fire codes and standards. The proposed building is designed in a manner that promotes safety and also limits off-site impacts; in that, the dock area is located in the interior of the site and there is sufficient stacking

distance along all the driveways. In addition, the project will be required to connect to the sewer.

**Section 4.** The Planning Commission has reviewed and considered the Notice of Exemption, any oral or written comments received, and the administrative record prior to making any recommendation on the proposed project. The Planning Commission finds that the Notice of Exemption has been completed in compliance with CEQA and the State CEQA Guidelines.

**Section 5.** Based on the foregoing, the City of Fontana Planning Commission hereby adopts the Notice of Exemption and Design Review Project No. 21-003 subject to the findings listed above and the conditions of approval as shown in the attached Exhibits "A" for the construction of a warehouse building on property designated with the Assessor Parcel Numbers (APNs): 0235-141-04.

**Section 6. Resolution Regarding Custodian of Record:** The documents and materials that constitute the record of proceedings on which this Resolution has been based are located at the Community Development Department – Planning Division, 8353 Sierra Avenue, Fontana, CA 92335. This information is provided in compliance with Public Resources Code section 21081.6.

**Section 7.** The Secretary of the Planning Commission shall certify to the adoption of this Resolution.

**APPROVED AND ADOPTED** by the Planning Commission of the City of Fontana, California, at a regular meeting held on this 6<sup>th</sup> day of July 2021.

**City of Fontana**

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Cathline Fort, Chairperson

**ATTEST:**

I, Idilio Sanchez, Secretary of the Planning Commission of the City of Fontana, California, do hereby certify that the foregoing resolution was duly and regularly adopted by the Planning Commission at a regular meeting thereof, held on the 6<sup>th</sup> day of July 2021, by the following vote, to-wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

---

Idilio Sanchez, Secretary

**EXHIBIT “A”**



**CITY OF FONTANA  
CONDITIONS OF APPROVAL**

**PROJECT:** Master Case No. (MCN) 21-034  
Design Review No. 21-003

**DATE:** July 6, 2021

**LOCATION:** Northwest corner of Valley Boulevard and Catawba Avenue at 15894 Valley Boulevard (APN: 0235-141-04).

**PLANNING DIVISION:**

1. This approval is for Design Review No. 21-003 for site and architectural review for a warehouse building totaling approximately 92,433 square feet, as approved by the Planning Commission on July 6, 2021.
2. Design Review 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 Division inspection, has commenced within this period.
3. 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 (C of O) or other document evidencing the City's final inspection and acceptance of the work.
  - B. All requirements of the Fontana Municipal Code shall be complied with.
  - C. All other Conditions of Approval imposed by this project have been fulfilled.
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 Community Development or his/her designee. Major structural and aesthetic changes exceeding the codified parameters of administrative policy shall be presented to the Planning Commission for approval.

5. This project will comply with all applicable provisions, regulations and development standards of the City of Fontana Municipal Code.
6. The occupants of this facility shall comply with applicable provisions of local, state and federal laws and regulations with respect to noise, vibration, smoke, odors, fire and explosive hazards, including, but not limited to the City's adopted Hazardous Materials Management Plan and Industrial Wastewater/Discharge requirements.
7. The applicant 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 applicant's 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. 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 Section 30-23 of the Municipal Code.

9. Color combinations and color schemes for buildings approved under a design review application shall not be modified or changed without prior approval of the original approving body by a revision to the original application. Minor hue color changes may be approved by the Director of Community Development. The Director of Community Development may refer minor hue color changes to the original approving body for consideration under a revision to the original application.
10. The construction contractor will use the following source controls at all times:
  - A. 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.

Store and maintain equipment, building materials, and waste materials as far as practical from as many sensitive receivers as practical.
11. Two (2) bicycle parking racks or secured bicycle lockers shall be provided for all nonresidential developments.
12. All parking stalls shall be clearly marked by double striping pavement painting. Parking stall sizes shall be measured from the mid-point between the striping. No parking spaces shall be designated in a commercial/retail parking facility, except for disabled persons parking, van pool, car pool, or any other designated parking as required by law.
13. All signs shall be reviewed under a separate Design Review Sign application.
14. Exterior lighting compatible with the design of the building shall be provided for the parking lot. The lighting shall be directed and shielded so as to illuminate only the parking area and to avoid glare impacts on adjacent properties.

15. All roof-mounted equipment and ground mounted equipment shall be screened from view from adjacent properties and streets to the satisfaction of the Director of Community Development.
16. All landscaping shall be healthy and maintained in a reasonable manner as determined by the Director of Community Development or his/her designee.
17. The transformer(s) shall be screened by either a screen wall or mature, dense landscaping, and not visible from the public right-of-way.
18. There shall be no refrigerated uses on site; unless, a future tenant proposes to have such uses conducts an update of the California Environmental Quality Act (CEQA) document (i.e. Mitigated Negative Declaration) and any applicable studies/memorandums to amend this Condition of Approval.
19. Development fees and Planning Division final inspection fee must be paid prior to Certificate of Occupancy.
20. The applicant shall provide up-lighting on the perimeter and up-light proposed trees to the satisfaction of the Director of Community Development and his/her designee.
21. Applicant shall pay all applicable service fees pursuant to the City of Fontana Municipal Code.
22. Sidewalks shall be provided for all new developments in accordance with the city's circulation element of the General Plan.
23. Historic Archaeological Resources:
  - A. 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.
  - B. 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.

- C. 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.

#### **PRIOR TO ISSUANCE OF A GRADING PERMIT**

- 24. Plans and a copy of these conditions shall be placed on a sheet in the final building and grading plans prior to issuance of any building or grading permits.

#### **BUILDING & SAFETY**

- 25. Shall comply with the latest adopted edition of the following codes as applicable:
  - A. California Building Code
  - B. California Electrical Code
  - C. California Mechanical Code
  - D. California Plumbing Code
  - E. California Energy Code
  - F. California Fire Code
  - G. California Green Building Standards Code
- 26. Automatic fire suppression systems shall be installed in all new construction per Article II, Chapter 11 of the Code of the City of Fontana. Design and type of system shall be based upon the requirements of the Building Code, Fire Code and the requirements of the Fontana Fire Prevention District.
- 27. The requirements of the Air Quality Management District shall be satisfied prior to the issuance of any permit if hazardous materials are stored and/or used.
- 28. Any temporary building, trailer, commercial coach, etc. installed and/or used in connection with a construction project shall comply with City Code.
- 29. All perimeter/boundary walls shall be designed and constructed so that the outer/exterior face of the wall is as close as possible to the lot line. In any case, the outer/exterior face of the wall shall be within two (2) inches of the lot line. Distances greater than two (2) inches may be approved prior to construction by the Building Official on a case by case basis for extenuating circumstances.
- 30. All lot lines, easement lines, etc. shall be located and/or relocated in such a manner as to not cause any existing structure to become non-conforming with the

requirements of the latest adopted edition of the Building Code, or any other applicable law, ordinance, or code.

31. Grading Requirements:

- A. Grading plans shall be submitted to, and approved by Building & Safety Division. The grading plans shall indicate all site improvements and shall indicate complete drainage paths of all drainage water run-offs.
- B. All drainage water shall drain via approved methods to an approved location such as a public street, public drainage system, etc.
- C. Drainage water shall not cross over a public sidewalk. Drainage water may however cross under a sidewalk if an approved drainage structure is used.
- D. A recorded drainage acceptance agreement is required from adjoining property(s) receiving flows from this property.
- E. No water course or natural drainage shall be obstructed.
- F. Minimum slope or grade for ALL drainage structures shall be one half (0.50) percent for concrete and one (1.0) percent for all other, or as otherwise approved by the Building Official.
- G. Drainage water shall not pass from an 'improved' type of drainage structure to an 'unimproved' type of drainage structure (e.g., concrete swale to slag or dirt swale) unless otherwise approved by the Building Official.
- H. A complete hydrology study using the latest edition of the San Bernardino County Flood Control Hydrology Manual, and complete hydraulic calculations justifying the size, slope, capacity, etc. of any and all drainage structures being utilized, shall be submitted to, and approved by Building & Safety Division.

The on-site drainage system shall, as a minimum, be designed to handle the run-off generated by a ten (10) year storm. Check for flooding of all on-site structures (buildings) and all adjacent properties during a hundred (100) year storm.

- I. The grading plans shall, as a minimum, contain sections at all lot lines and/or permit boundary lines. These sections shall clearly indicate:
  - 1. The relationship between the proposed finished on-site grade elevations and the existing adjacent property grade elevations (Indicate any additional drainage water that may come from an adjacent property.); and
  - 2. The ground cover/finished surface material being proposed (e.g., type of pavement, plant material, etc.); and
  - 3. All proposed drainage structures; and
  - 4. Any proposed and/or required walls or fencing.

- 32. All exterior lighting shall be oriented, directed, and/or shielded as much as possible so that direct illumination does not infringe onto adjoining properties.

PRIOR TO ISSUANCE OF BUILDING/CONSTRUCTION PERMITS



33. The following items shall be completed and/or submitted to Building & Safety Division – as applicable – prior to the issuance of building permits for this project:
  - A. Precise grading plans shall be approved
  - B. Rough grading completed
  - C. Compaction certification
  - D. Pad elevation certification
  - E. Rough grade inspection signed off by a City Building Inspector
34. If hazardous substances are used and/or stored, a technical opinion and report, identifying and developing methods of protection from the hazards presented by the hazardous materials may be required. This report shall be prepared by a qualified person, firm, or corporation and submitted to Building & Safety Division. This report shall also explain the proposed facility's intended methods of operation and list all of the proposed materials, their quantities, classifications, and the effects of any chemical (material) inter-mixing in the event of an accident or spill.
35. The existing parcels shall be combined into a single parcel, or a lot line adjustment shall be done so that the proposed structure(s) does not cross any lot line and complies with all requirements of the California Building Code, prior to any building permits being issued.
36. For the Building and Safety submittal of plans for Building Permits depict the following: site lighting, accessible path of travel to both office areas for future division of building, electric vehicle parking per California Code and illuminated address to be visible from the street.

#### **FIRE DEPARTMENT**

37. Jurisdiction. The above referenced project is under the jurisdiction of the Fontana Fire Protection District as served by the San Bernardino County Fire Department (SBCFD) (herein “Fire Department”). Prior to any construction occurring on any parcel, the applicant shall contact the Fire Department for verification of current fire protection requirements. All new construction shall comply with the current California Fire Code requirements and all applicable statutes, codes, ordinances and standards of the Fire Department.
38. Fire Access Road Width. Prior to map recordation, all fire access roadways shall be designed to meet the requirements for this development and shall be approved by the Fire Department. All buildings shall have access provided by approved roads, alleys and private drives with a minimum twenty six (26) foot unobstructed width and vertically to fourteen (14) feet six (6) inches in height. **Buildings 30 foot or three (3) stories in height or more shall have a minimum access of thirty (30) feet unobstructed width and vertically to fourteen (14) feet six (6) inches in height.** California Fire Code sec 503, SBCFD Standard 503.1

39. Secondary Access. The development shall have a minimum of \_\_\_\_\_3\_\_\_\_ points of vehicular access during each phase of construction for fire and emergency access purposes and for evacuation routes. SBCFD Standard 503.1
40. Turnaround. An approved turnaround shall be provided at the end of each roadway one hundred and fifty (150) feet or more in length. Cul-de-sac length shall not exceed six hundred (600) feet; all roadways shall not exceed a 12 % grade and have a minimum of nineteen (19) foot inside radius and a forty-five (45) foot outside radius for all turns. California Fire Code sec 503, SBCFD Standard 503.1
41. Water System Commercial. Prior to map recordation, all water supply systems shall be designed to meet the required fire flow for this development and shall be approved by the Fire Department. The required fire flow shall be determined by using Appendix B of the California Fire Code. A minimum of one new six (6) inch fire hydrant assembly with two (2) two and one half (2 1/2) inch and one (1) four (4) inch outlet shall be provided. All fire hydrants shall be spaced no more than three hundred (300) feet apart as measured along vehicular travel-ways. California Fire Code sec 508, SBCFD Standard 508.1

**The Fire Flow for this project shall be: 2500 GPM for a 4 hour duration at 20 psi residual operating pressure. Fire Flow is based on a maximum 115,100 sq.ft. structure.**

Commercial/industrial projects with a building(s) exceeding 100,000 square feet shall be required to have a looped fire line system and with a minimum of two (2) points of connection to the public water source.

42. Hydrant Marking. Blue reflective pavement markers indicating fire hydrant locations shall be installed as specified by the Fire Department. SBCFD Standard 508.5.2.
43. Water System Certification. The applicant shall provide the Fire Department with a letter from the serving water company, certifying that the required water improvements have been made or that the existing fire hydrants and water system will meet distance and fire flow requirements. Fire flow water supply shall be in place prior to placing combustible materials on the job-site.
44. Fire Sprinkler-NFPA #13. An automatic fire sprinkler system complying with NFPA 13 and Fire Department standards is required. A fire sprinkler contractor shall submit three (3) sets of detailed plans to the Fire Department for review and approval. The plans shall include hydraulic calculations and manufacturer specification sheets. The required fees shall be paid at the time of plan submittal. SBCFD Standard 903.

45. Fire Alarm, Waterflow Monitoring. A water flow monitoring fire alarm system complying with the California Fire Code, NFPA and all applicable codes is required for fire sprinkler systems with twenty (20) sprinkler heads or more. A fire alarm contractor shall submit three (3) sets of detailed plans to the Fire Department for review and approval. The required fees shall be paid at the time of plan submittal. California Fire Code sec. 907, SBCFD Standard 907 FA-M.
46. Commercial (large facility) Addressing. Commercial and industrial developments in excess of 100,000 sq. ft. shall have the street address installed on the building with numbers that are a minimum twelve (12) inches in height and with a one and one half (1 ½) inch stroke. The street address shall be visible from the street. During the hours of darkness, the numbers shall be electrically illuminated (internal or external). Where the building is two hundred (200) feet or more from the roadway, additional non-illuminated contrasting six (6) inch numbers shall be displayed at the property access entrances. SBCFD Standard 901.4.4
47. High-Piled Storage. The applicant shall submit an application for a High-Piled Storage permit for storage of over 12' in height of Class I-IV commodities and/or over 6' in height of high hazard commodities. Three (3) sets of detailed plans and a commodity analysis report shall be submitted to the Fire Department for review and approval. The applicant shall submit to the Fire Department concurrently with any racking permits to the Building and Safety division.
48. Fire Extinguishers. Hand portable fire extinguishers are required. The location, type, and cabinet design shall be approved by the Fire Department. California Fire Code sec. 906.
49. Security Gates. In commercial, industrial and multi-family complexes, all swing gates shall have an approved fire department Knox Lock. Where an automatic electric security gate is used, an approved Fire Department override switch is required. SBCFD Standard 503.1.2.
50. Key Box. An approved Fire Department key box is required. The key box shall be provided with a tamper switch and shall be monitored by a Fire Department approved central monitoring service. SBCFD Standard 506

**POLICE DEPARTMENT:**

51. To discourage criminal activity, the vehicle gate within the Fire Lane shall remain closed and secured during non-business hours.
52. All block walls on-site shall incorporate an anti-graffiti coating.
53. Incorporate hostile landscape into the interior, perimeter landscape setback areas to discourage subjects from accessing the site.
54. Adhere to the City standard of one foot candle minimum for all entrances, exits, pedestrian paths, parking lots, and activity areas. Reflect all light fixtures on the

site plan. All areas shall be illuminated during all hours of darkness and all luminaries utilized shall be vandal-resistant fixtures. The type of lighting shall be fluorescent, white L.E.D.s or metal halide. To ensure the minimum light standard is met, provide a photometric layout under separate exhibit.

55. Adhere to the Standard Building Security Specifications of the Fontana Police Department.

#### **ENGINEERING DEPARTMENT**

56. The project shall be served by the City's sanitary sewer system, all sewer facilities shall be constructed in accordance with the City Standards. Main trunk sewer line shall be in accordance with master sanitary sewer plan or as approved by the City Engineer.
57. The applicant shall obtain design and plan approval from all utility providers having jurisdiction over the on-site and off-site utilities. Completion of all undergrounding of onsite and off-site utilities is required by Section 27-52 of the City Municipal Code and in accordance with plans and specifications approved by the City Engineer.
58. It is the applicant's responsibility to maintain all improvements and utilities within the public right-of-way, including street sweeping, prior to final acceptance by the City. Where applicable, the applicant must provide provisional street sweeping schedules to the City.

#### **PRIOR TO ISSUANCE OF GRADING PERMIT**

59. Applicant shall submit and gain approval of a complete Water Quality Management Plan Report in accordance with the County of San Bernardino Technical Guidance Document and latest template.

#### **PRIOR TO MAP RECORDATION**

60. A Security to guarantee the proper setting of all survey monuments within the project limits, and replacement of any existing survey monuments damaged or removed during construction; will be collected during the bond and agreement process. Survey monuments shall be placed as required by plans and corner records must be recorded with the County.

#### **PRIOR TO ISSUANCE OF CONSTRUCTION PERMITS**

61. Record map and right-of-way dedications or easements required for the development.
62. Applicant shall provide a Land Improvement Agreement, with accompanying security. The agreement shall be executed in triplicate on City-provided forms.

#### **PRIOR TO FINAL ACCEPTANCE OF PROJECT**

63. Applicant/Design Engineer to provide the City of Fontana with As-Built/Record Drawings for all public improvement plans.
64. Applicant/Landscape Architect shall provide a "Landscape Certificate of Compliance" certifying that the work has been designed, installed, and will be maintained in accordance with the City of Fontana's Model Water Efficiency Landscape Ordinance (Ordinance 1743, FCC Section 28).
65. All underground utilities (sewer and storm drain) shall be video inspected by applicant/contractor. Sewer video shall include clean-out connection, clean-out to lateral segment, lateral, and main line. Videos to be inspected and approved by City Inspection. Applicant shall provide a copy of the video on DVD or flash drive to inspection staff. If removal and replacement of any utility is required, a subsequent video of the repair will be required.
66. Applicant/Engineer of Record shall submit a conforming copy of the recorded Memorandum of Agreement for the Water Quality Management Plan and Storm Water Best Management Practices Transfer. The Access, Maintenance, and the Water Quality Management Plan Certification for best management practices Completion must be submitted to the City Project Engineer.

## NOTICE OF EXEMPTION

PTO: Clerk of the Board of Supervisors  
County of San Bernardino  
385 N. Arrowhead Avenue, 2nd Floor  
San Bernardino, CA 92415-0130

FROM: City of Fontana  
Planning Division  
8353 Sierra Avenue  
Fontana, CA 92335

Project Title: Design Review No. 21-003

1. Project Location – On the northwest corner of Valley Boulevard and Catawba Avenue at 15894 Valley Boulevard (APN: 0235-141-04)
2. (a) Project Location - City: **Fontana, CA 92335**  
(b) Project Location - County: **San Bernardino**
4. Description of nature, purpose, and beneficiaries of Project: **Review and approve a new 92, 433 square foot warehouse and office.**
5. Name of Public Agency approving project: **City of Fontana**
6. Name of Person or Agency carrying out project: **9<sup>th</sup> Street Partners**
7. Exempt status: (Check one)
  - (a) \_\_\_\_\_ Ministerial project.
  - (b) \_\_\_\_\_ Not a project.
  - (c) \_\_\_\_\_ Emergency Project.
  - (d) **X** Categorical Exemption. State type and class number: Exempt under Section No. 15332, Class 32, (In-Fill Development) of the California Environmental Quality Act and Section 3.01(f) of the City of Fontana 2018 Local Guidelines for Implementing the California Environmental Quality Act.
  - (e) \_\_\_\_\_ Declared Emergency.
  - (f) \_\_\_\_\_ Statutory Exemption. State Code section number: \_\_\_\_\_
  - (g) \_\_\_\_\_ Other. Explanation: \_\_\_\_\_
8. Reason why project was exempt: **The site meets infill requirements.**
9. Contact Person: **Paul Gonzales, Senior Planner** Telephone: **(909) 350-6658**

Date Received for Filing:

\_\_\_\_\_  
Paul Gonzales  
Senior Planner

(Clerk Stamp Here)



## NOTICE OF PUBLIC HEARING

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***Si desea información en Español referente a esta notificación o proyecto,  
favor de comunicarse al (909) 350-6728.***

In compliance with Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132) and the federal rules and regulations adopted in implementation thereof, the Agenda will be made available in appropriate alternative formats to persons with a disability. Should you need special assistance to participate in this meeting, please contact the City Clerk's Department by calling (909) 350-7602. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A PUBLIC HEARING HAS BEEN SCHEDULED BEFORE THE PLANNING COMMISSION OF THE CITY OF FONTANA FOR THE FOLLOWING:

**Master Case No. (MCN) No. 21-034 and Design Review Project (DRP) No. 21-003**

The submitted project is a request for a proposed warehouse building totaling approximately 92,433 square feet on a site of approximately 4.1 gross acres. The site is located on the northwest corner of Valley Boulevard and Catawba Avenue within the Light Industrial (M-1) Zoning District within the City of Fontana.

**Environmental  
Determination:**

The project qualifies for a Categorical Exemption, pursuant to Section 15332, Class 32, (In-Fill Development) of the California Environmental Quality Act (CEQA) and Section 3.01(f) of the City of Fontana 2019 Local Guidelines for Implementing the California Environmental Quality Act.

**Location:**

The site is located on the northwest corner of Valley Boulevard and Catawba Avenue at 15894 Valley Boulevard (APN 0235-141-04) within the Light Industrial (M-1) Zoning area.

**Date of Hearing:**

July 6, 2021

**Place of Hearing:**

8353 Sierra Avenue, Fontana, CA,  
City Council Chambers, and,  
KFON Channel 3

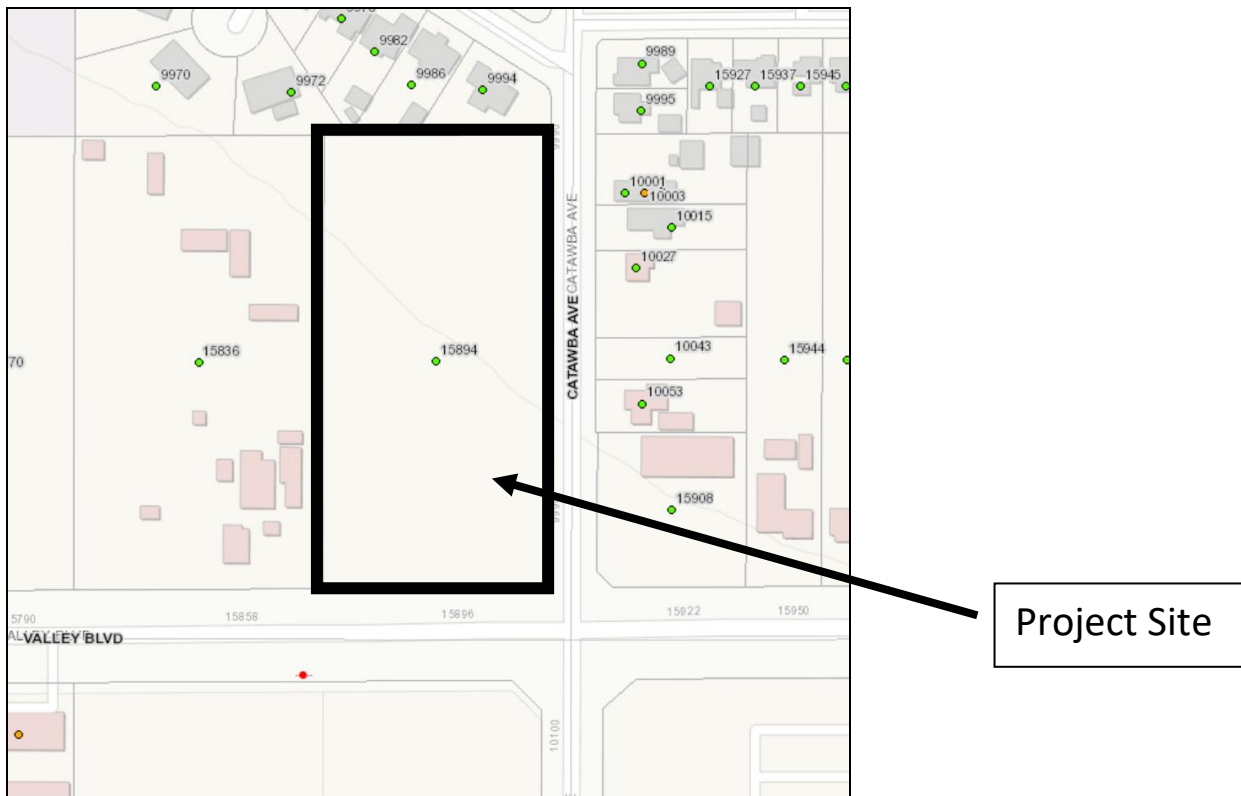
**Time of Hearing:**

6:00 P.M.

Should you have any questions concerning this project, please contact Paul Gonzales, **Senior Planner**, at (909) 350-6658 or via E-mail: [pgonzales@fontana.org](mailto:pgonzales@fontana.org).

ANY INTERESTED PARTY MAY PROVIDE INFORMATION BY LETTER OR EMAIL WHICH MAY BE OF ASSISTANCE TO THE PLANNING COMMISSION. A COPY OF THE APPLICATION AND ENVIRONMENTAL DOCUMENTATION IS AVAILABLE FOR INSPECTION AT THE PLANNING DIVISION, CITY HALL. PLEASE CONTACT THE PLANNER LISTED ABOVE.

IF YOU CHALLENGE IN COURT ANY ACTION TAKEN CONCERNING A PUBLIC HEARING ITEM, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE PUBLIC HEARING DESCRIBED IN THIS NOTICE, OR IN WRITTEN CORRESPONDENCE TO THE CITY AT, OR PRIOR TO, THE PUBLIC HEARING.





**PH-B Master Case No. 21-034; Design Review Project No. 21-003 - A request to review and approve a site and architectural review of an approximately 92,433 concrete tilt-up warehouse building.**

Chairperson Fort opened Public Hearing Item B.

Paul Gonzales, Senior Planner provide the staff report.

Staff notified the commission that he did receive two phone calls regarding the project, and also mentioned that he received an opposition letter for which responses were provided.

Applicant Tom Ashcraft read, and agreed to the conditions of approval.

The commission discussed framing and color for the project, and added a condition to the project to "add black framing in between the windows". The applicant agreed to this added condition.

The following individuals spoke in opposition for this item:

Nylan Greco  
Jennifer Cardenas  
Elizabeth Sena  
Janet Bernabe

Andrea Meza  
Robert Gonzalez  
Jasmine Cunningham  
Ana Gonzalez  
Janet Meza  
Angel Morales

The following individual signed up to speak through e-comment, but was not present when she was called upon:

Cynthia Gonzales

Public Hearing was closed.

A recess was called at 7:00 p.m., and the meeting reconvened at 7:04 p.m.

The commission asked staff to discuss the concerns addressed by the public.

Staff discussed the California Environmental Quality Act (CEQA) Exemption, and he further discussed the Public Hearing Notices that are sent out to the properties surrounding the project within 660 feet. In addition, he discussed other items addressed by the residents and the commission.

The commission and staff further discussed zoning for the project and allowed uses.

The commission and staff discussed impacts to the adjacent elementary school.

The commission and staff discussed accessing the project off of Valley Boulevard.

#### **RECOMMENDATION:**

**Based on the information contained in this staff report, and subject to the attached Findings and Conditions of Approval staff recommends that the Planning Commission adopt Resolution PC No. 2021 - 030, to:**

**1. Determine that the project is Categorically Exempt pursuant to Section No. 15332, Class 32, (In-Fill Development) of the California Environmental Quality Act and per Section No. 3.18 of the 2019 Local Guidelines for Implementing the California Environmental Quality Act, direct staff to file a Notice of Exemption; and,**

**2. Approve Design Review No. 21-003.**

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Planning Commission

Minutes

July 06, 2021

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#### **MOTION:**

**Motion was made by Commissioner Gordon, seconded by Commissioner Thrasher, and passed unanimously by a vote of 5-0 to adopt this Public Hearing. The motion carried by the following vote:**

**Aye:** Chairperson Fort, Vice Chair Sangha, Secretary Sanchez, Commissioner Gordon and Commissioner Thrasher



September 8, 2021

Mayor Acquanetta Warren and Honorable Members of the Fontana City Council  
8353 Sierra Avenue  
Fontana, CA 92335  
Planningdivision@fontana.org

Paul Gonzales, Senior Planner  
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City of Fontana  
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**Re: 15894 Valley Boulevard Project (Master Case No. 21-034; Design Review Project No. 21-003)**

Dear Mayor Warren and Honorable Members of the City Council,

We are writing this letter in response to the appeal letter filed by Janet Meza, on behalf of Janet Meza & Family, on July 20, 2021 (Appeal), pertaining to the Planning Commission's July 6, 2021 approval of Master Case No. 21-034 for the construction of an industrial building (Project) at 15894 Valley Boulevard in the City of Fontana (City). For the reasons set forth below, we support the Planning Commission's findings and staff's analysis that the project is exempt from California Environmental Quality Act (CEQA) review under Class 32 as an in-fill development pursuant to Guidelines Section 15332. Therefore, no further environmental analysis is required. We urge the City Council to deny the appeal and uphold the approval of the Project.

As the Appeal notes, "environmental decisions must be 'supported by reasoned explanation based on substantial evidence.'" The Planning Commission did exactly that – determined that the use of the Class 32 categorical exemption for in-fill development was appropriate based on substantial evidence in the Categorical Exemption Report prepared for the Project, dated April 2021, attached hereto as Exhibit A, and its appendices (Technical Studies), including the CEQA Technical Memorandum for the Proposed Project Located at 15894 Valley Boulevard in the City Fontana, San Bernardino County, California, Trip Generation Assessment, Noise Impact Analysis, Vehicle Miles Traveled (VMT) Screening Analysis, and the Air Quality, Greenhouse Gas, and Health Risk Assessment (Air Quality Report). Contrary to Appellant's characterization of a

Categorical Exemption as a “CEQA due process workaround,” Categorical Exemptions apply as a matter of law to certain classes of projects that have been determined to not have a significant effect on the environment by California’s Natural Resources Secretary. As outlined in Guidelines Section 15332, the Class 32 Categorical Exemption for in-fill development exempts from CEQA review projects that meet the following requirements:

- (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
- (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.
- (c) The project site has no value, as habitat for endangered, rare or threatened species.
- (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.
- (e) The site can be adequately served by all required utilities and public services.

Each of these elements is analyzed separately in the Categorical Exemption Report and the Project’s effects related to traffic, noise, air quality, and water quality are analyzed in the Technical Reports, as required by element (d). Based on the analysis conducted therein and on the conclusions of the Technical Reports, the Categorical Exemption Report determines that the Project meets all criteria for a Class 32 Categorical Exemption. As such, the Planning Commission’s finding that the Project is categorically exempt from CEQA review pursuant to the Class 32 Categorical Exemption is supported by substantial evidence.

Appellant asserts that the required GHG emissions reduction of 28.5% pursuant to MM-GHG-1 of the City’s General Plan EIR is “at odds” with the California Supreme Court’s decision in *Center for Biological Diversity v. Department of Fish and Wildlife* (2015) 62 Cal.4th 204. The validity of MM-GHG-1 is not at issue here because the time to challenge the City’s General Plan EIR has long since passed and regardless of the General Plan EIR the Project is categorically exempt from CEQA review.

As explained in the Air Quality Report, the Project used the thresholds suggested by the South Coast Air Quality Management District (SCAQMD). While SCAQMD has not adopted a GHG significance threshold that applies to most land use development projects, it has adopted a threshold for GHG emissions of 10,000 MTCO<sub>2</sub>e per year to capture 90 percent of total emissions from all new or modified industrial (stationary source) projects.<sup>1</sup> A 3,000 MT CO<sub>2</sub>e per year value was proposed as a screening threshold for land use projects which contribute to GHG emissions through mobile sources. While many agencies apply the 10,000 MTCO<sub>2</sub>e standard to warehouse projects based on guidance from SCAQMD indicating that industrial

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<sup>1</sup> Available at: <http://www.aqmd.gov/home/rules-compliance/ceqa/air-quality-analysis-handbook/ghg-significance-thresholds>.

standard should apply to warehouse projects, the Project used the more conservative 3,000 MTCO<sub>2</sub>e threshold.<sup>2</sup> Even under this more conservative threshold, the Air Quality Report determined that Project-related GHG emissions were below this threshold and “would not have the potential to have a significant direct or indirect impact on GHG and climate change.”<sup>3</sup> Nonetheless, the Project will voluntarily implement several of the recommended design features outlined in MM-GHG-1, including:

- Install efficient lighting and lighting control systems;
- Install energy efficient heating and cooling systems, appliances and equipment, and control systems;
- Implement design features to increase the efficiency of the building envelope;
- Install LED lighting for outdoor lighting;
- Limit the hours of operation of outdoor lighting;
- Roof structure is designed to be “solar ready”;
- Create water efficient landscaping;
- Install water efficient landscaping systems and devices; and
- Install water efficient fixtures and appliances within the building.

Appellant contends that Project approval should be delayed “until a full health and safety accounting” of the Project can be made public, but as indicated in the Air Quality Report, the Project is below the screening threshold triggering the requirement for a Health Risk Assessment. As noted in the Air Quality Report, California Air Pollution Control Officers Association (CAPCOA) guidelines provide that a Health Risk Assessment is only recommended for land uses that generate more than 100 truck trips per day.<sup>4</sup> This threshold is also used in MM-AQ-24 of the General Plan EIR. The Project is expected to generate 46 two-way truck trips (23 trucks per day), which is well below the threshold set by both CAPCOA and MM-AQ-24.<sup>5</sup> Therefore the siting limitations of MM-AQ-24 do not apply and the project is not required to conduct a Health Risk Assessment and, the Air Quality Report concludes, “[a]s such ... will not cause a significant human health or cancer risk to adjacent residences, schools, or businesses.”<sup>6</sup> However, in light of this comment letter and community concern for health risks expressed at the Planning Commission hearing, while not required by CEQA or any other regulation, for informational purposes the 9<sup>th</sup> Street Partners Valley Boulevard Construction and Mobile Source Health Risk Assessment was prepared and is attached hereto as Exhibit B. The report assessed the health risks for the Project as well as related future projects within the Project’s zone of influence and

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<sup>2</sup> Air Quality Report, p. 4-5.

<sup>3</sup> Air Quality Report, p. 5.

<sup>4</sup> Air Quality Report, p. 5.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

determined that the project-level and cumulative-level health risks are below the 10 in one million incremental cancer risk thresholds established by the SCAQMD. As such, there is no evidence that the Project will cause a significant air quality impact.

We also note that, while not required to do so, the Project Applicant hereby voluntarily commits to comply with the 18 Air Quality mitigation measures of the General Plan EIR which are applicable to this type of Project (MM-AQ-1 to MM-AQ-7, MM-AQ-9 to MM-AQ-11, MM-AQ-13 to MM-AQ-19, MM-AQ-22 to MM-AQ-23).

As outlined herein, the Planning Commission did not ignore science or the law and correctly approved the Project and found it categorically exempt from CEQA review pursuant to the Class 32 exemption for in-fill developments based on substantial evidence.

Sincerely,

A handwritten signature in black ink, appearing to read 'A Monchamp', with a stylized flourish at the end.

Amanda Monchamp

## **Exhibit A**

Categorical Exemption Report prepared for the Project, April 2021

## **Exhibit B**

9<sup>th</sup> Street Partners Valley Boulevard Construction and Mobile Source Health Risk Assessment





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# **9th Street Partners Valley Boulevard**

## **CONSTRUCTION AND MOBILE SOURCE HEALTH RISK ASSESSMENT**

### **CITY OF FONTANA**

PREPARED BY:

Haseeb Qureshi  
hqureshi@urbanxroads.com

SEPTEMBER 8, 2021

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13850-04 HRA Report



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## **LIST OF ABBREVIATED TERMS**

(1)	Reference
µg	Microgram
AERMOD	American Meteorological Society/Environmental Protection Agency Regulatory Model
APS	Auxiliary Power System
AQMD	Air Quality Management District
ARB	Air Resources Board
CEQA	California Environmental Quality Act
CPF	Cancer Potency Factor
DPM	Diesel Particulate Matter
EMFAC	Emission Factor Model
EPA	Environmental Protection Agency
HHD	Heavy Heavy-Duty
HI	Hazard Index
HRA	Health Risk Assessment
LHD	Light Heavy-Duty
MATES	Multiple Air Toxics Exposure Study
MEIR	Maximally Exposed Individual Receptor
MEISC	Maximally Exposed Individual School Child
MEIW	Maximally Exposed Individual Worker
MHD	Medium Heavy-Duty
NAD	North American Datum
OEHHA	Office of Environmental Health Hazard
PCE	Passenger Car Equivalent
PM10	Particulate Matter 10 microns in diameter or less
Project	9th Street Partners Valley Boulevard
REL	Reference Exposure Level
RM	Recommended Measures
SCAQMD	South Coast Air Quality Management District
SRA	Source Receptor Area
TAC	Toxic Air Contaminant
TIA	Traffic Impact Analysis
URF	Unit Risk Factor
UTM	Universal Transverse Mercator
VMТ	Vehicle Miles Traveled

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## EXECUTIVE SUMMARY

This report evaluates the potential mobile source health risk impacts to sensitive receptors (residents) and adjacent workers associated with the development of the proposed Project, more specifically, health risk impacts as a result of exposure to diesel particulate matter (DPM) as a result of heavy-duty diesel trucks accessing the site. This section summarizes the significance criteria and Project mobile source health risks.

The results of the health risk assessment from Project-generated DPM emissions are provided in Table ES-1, ES-2, and ES-3 below for the Project.

### CONSTRUCTION IMPACTS

The land use with the greatest potential exposure to Project construction DPM source emissions is Location R2 which is located approximately 15 feet north of the Project site at an existing residence. At the maximally exposed individual receptor (MEIR), the maximum incremental cancer risk attributable to Project construction DPM source emissions is estimated at 6.89 in one million, which is less than the threshold of 10 in one million. At this same location, non-cancer risks were estimated to be  $\leq 0.01$ , which would not exceed the applicable threshold of 1.0. As such, the Project will not cause a significant human health or cancer risk to adjacent land uses as a result of Project construction activity. All other receptors during construction activity would experience less risk than what is identified for this location. The nearest modeled receptors are illustrated on Exhibit 2-E.

### OPERATIONAL IMPACTS

#### Residential Exposure Scenario:

The residential land use with the greatest potential exposure to Project operational DPM source emissions is Location R5 which is located approximately 98 feet east of the Project site across Catawba Avenue at an existing residence. This location experiences the greatest potential exposure to Project DPM source emissions due to meteorological conditions and the anticipated truck travel patterns anticipated for the Project, even though there may be other residential receptor locations located in a closer proximity to the Project. At the MEIR, the maximum incremental cancer risk attributable to Project DPM source emissions is estimated at 0.46 in one million, which is less than the threshold of 10 in one million. At this same location, non-cancer risks were estimated to be  $\leq 0.01$ , which would not exceed the applicable threshold of 1.0. As such, the Project will not cause a significant human health or cancer risk to residences in the Project vicinity. All other modeled residential locations in the vicinity of the Project would be exposed to less emissions and therefore less risk than the MEIR identified herein. The nearest modeled receptors are illustrated on Exhibit 2-E.

#### Worker Exposure Scenario:

The worker receptor land use with the greatest potential exposure to Project operational DPM source emissions is Location R8 which is located immediately adjacent to the west of the Project

site at a commercial land use. At the maximally exposed individual worker (MEIW), the maximum incremental cancer risk impact at this location is 0.14 in one million which is less than the threshold of 10 in one million. Maximum non-cancer risks at this same location were estimated to be  $\leq 0.01$ , which would not exceed the applicable threshold of 1.0. As such, the Project will not cause a significant human health or cancer risk to adjacent workers. All other modeled worker locations in the vicinity of the Project would be exposed to less emissions and therefore less risk than the MEIW identified herein. The nearest modeled receptors are illustrated on Exhibit 2-E.

*School Child Exposure Scenario:*

The school site land use with the greatest potential exposure to Project operational DPM source emissions is at Location R6 which represents the playground area of the Poplar Elementary School located approximately 350 feet northwest of the Project site. At the maximally exposed individual school child (MEISC), the maximum incremental cancer risk impact attributable to the Project at this location is calculated to be an estimated 0.05 in one million which is less than the significance threshold of 10 in one million. At this same location, non-cancer risks attributable to the Project were calculated to be  $\leq 0.01$ , which would not exceed the applicable significance threshold of 1.0. Any other schools near the Project site would be exposed to less emissions and consequently less impacts than what is disclosed for the MEISC. As such, the Project will not cause a significant human health or cancer risk to nearby school children. The nearest modeled receptors are illustrated on Exhibit 2-E.

**CONSTRUCTION AND OPERATIONAL IMPACTS**

The land use with the greatest potential exposure to Project construction and operational DPM source emissions is Location R2 which is located approximately 15 feet north of the Project site at an existing residence. At the maximally exposed individual receptor (MEIR), the maximum incremental cancer risk attributable to Project construction and operational DPM source emissions is estimated at 6.91 in one million, which is less than the threshold of 10 in one million. At this same location, non-cancer risks were estimated to be  $\leq 0.01$ , which would not exceed the applicable threshold of 1.0. As such, the Project will not cause a significant human health or cancer risk to adjacent land uses as a result of Project construction and operational activity. All other receptors during construction activity would experience less risk than what is identified for this location. The nearest modeled receptors are illustrated on Exhibit 2-E.



**TABLE ES-1: SUMMARY OF CONSTRUCTION CANCER AND NON-CANCER RISKS**

Time Period	Location	Maximum Lifetime Cancer Risk (Risk per Million)	Significance Threshold (Risk per Million)	Exceeds Significance Threshold
2 Year Exposure	Maximum Exposed Sensitive Receptor	6.89	10	NO
Time Period	Location	Maximum Hazard Index	Significance Threshold	Exceeds Significance Threshold
Annual Average	Maximum Exposed Sensitive Receptor	≤0.01	1.0	NO

**TABLE ES-2: SUMMARY OF OPERATIONAL CANCER AND NON-CANCER RISKS**

Time Period	Location	Maximum Lifetime Cancer Risk (Risk per Million)	Significance Threshold (Risk per Million)	Exceeds Significance Threshold
30 Year Exposure	Maximum Exposed Sensitive Receptor	0.46	10	NO
25 Year Exposure	Maximum Exposed Worker Receptor	0.14	10	NO
9 Year Exposure	Maximum Exposed School Child Receptor	0.05	10	NO
Time Period	Location	Maximum Hazard Index	Significance Threshold	Exceeds Significance Threshold
Annual Average	Maximum Exposed Sensitive Receptor	≤0.01	1.0	NO
Annual Average	Maximum Exposed Worker Receptor	≤0.01	1.0	NO
Annual Average	Maximum Exposed School Child Receptor	≤0.01	1.0	NO

**TABLE ES-3: SUMMARY OF CONSTRUCTION AND OPERATIONAL CANCER AND NON-CANCER RISKS**

<b>Time Period</b>	<b>Location</b>	<b>Maximum Lifetime Cancer Risk (Risk per Million)</b>	<b>Significance Threshold (Risk per Million)</b>	<b>Exceeds Significance Threshold</b>
30 Year Exposure	Maximum Exposed Sensitive Receptor	6.91	10	NO
<b>Time Period</b>	<b>Location</b>	<b>Maximum Hazard Index</b>	<b>Significance Threshold</b>	<b>Exceeds Significance Threshold</b>
Annual Average	Maximum Exposed Sensitive Receptor	≤0.01	1.0	NO

# 1 INTRODUCTION

The purpose of this Health Risk Assessment (HRA) is to evaluate Project-related construction and operational related toxic air contaminants (TACs) to sensitive receptors (residential, schools) and adjacent workers as a result of diesel particulate matter (DPM) generated during construction and operational activity.

The HRA has been prepared in accordance with the document Health Risk Assessment Guidance for Analyzing Cancer Risk from Mobile Source Diesel Idling Emissions for CEQA Air Quality Analysis (1) and is comprised of all relevant and appropriate procedures presented by the U.S. EPA, California Environmental Protection Agency and SCAQMD. Cancer risk is expressed in terms of expected incremental incidence per million population. The SCAQMD has established an incidence rate of ten (10) persons per million as the maximum acceptable incremental cancer risk due to DPM exposure. This threshold serves to determine whether or not a given project has a potentially significant development-specific and cumulative impact.

The SCAQMD has also established non-carcinogenic risk parameters for use in HRAs. Non-carcinogenic risks are quantified by calculating a "hazard index," expressed as the ratio between the ambient pollutant concentration and its toxicity or Reference Exposure Level (REL). An REL is a concentration at or below which health effects are not likely to occur. A hazard index less than one (1.0) means that adverse health effects are not expected. Within this analysis, non-carcinogenic exposures of less than 1.0 are considered less-than-significant.

## 1.1 SITE LOCATION

The proposed project is located at 15894 Valley Boulevard in the City of Fontana. The Project location is shown on Exhibit 1-A. The Project Site is generally located approximately 0.24 miles north of the I-10 Freeway, with some noise sensitive residential homes to the north and east of the Project site.

## 1.2 PROJECT DESCRIPTION

The Project is proposed to consist of the development of 92,433 square feet of Warehousing use as shown on Exhibit 1-B. To present the potential worst-case conditions, the Project is assumed to be operational 24 hours per day, seven days per week. It is expected that the Project business operations would primarily be conducted within the enclosed buildings, except for traffic movement, parking, as well as loading and unloading of trucks at designated loading bays. At the time this noise analysis was prepared, the future tenants of the proposed Project were unknown.

Per the *9th Street Partners Valley Boulevard Trip Generation Assessment* prepared by Urban Crossroads, Inc., the Project is expected to generate a total of approximately 164 vehicular trips per day (82 vehicle trips inbound and 82 vehicle trips outbound), which includes 46 truck trips per day (23 truck trips inbound and 23 truck trips outbound) (2).

## EXHIBIT 1-A: LOCATION MAP





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## 2 BACKGROUND

### 2.1 BACKGROUND ON RECOMMENDED METHODOLOGY

ARB estimates that the average Californian is exposed to 1.2-1.8  $\mu\text{g}/\text{m}^3$  of DPM annually, this exposure results in an average cancer risk of 360-540 in one million for the average Californian exposed to DPM (3).

As noted above, this HRA is based on SCAQMD guidelines to produce conservative estimates of risk posed by exposure to DPM. The conservative nature of this analysis is due primarily to the following factors:

- The ARB-adopted diesel exhaust Unit Risk Factor (URF) of 300 in one million per  $\mu\text{g}/\text{m}^3$  is based upon the upper 95 percentile of estimated risk for each of the epidemiological studies utilized to develop the URF. Using the 95<sup>th</sup> percentile URF represents a very conservative (health-protective) risk posed by DPM.
- The risk estimates assume sensitive receptors will be subject to DPM for 24 hours a day, 350 days a year.
- The emissions derived assume that every truck accessing the project site will idle for 15 minutes under the unmitigated scenario, this is an overestimation of actual idling times and thus conservative.<sup>1</sup> It should be noted that ARB's anti-idling requirements impose a 5-minute maximum idling time and therefore the analysis conservatively overestimates DPM emissions from idling by a factor of 3.

### 2.2 CONSTRUCTION HEALTH RISK ASSESSMENT

#### 2.2.1 EMISSIONS CALCULATIONS

The emissions calculations for the construction HRA component are based on an assumed mix of construction equipment and hauling activity as presented in the *9th Street Partners Valley Boulevard Air Quality, Greenhouse Gas, and Health Risk Assessment* ("technical study") prepared by Urban Crossroads, Inc. (4)

Construction related DPM emissions are expected to occur primarily as a function of heavy-duty construction equipment that would be operating on-site.

As discussed in the technical study, the Project would result in approximately 279 total working-days for construction activity. The construction duration by phase is shown on Table 2-1. A detailed summary of construction equipment assumptions by phase is provided at Table 2-2. The CalEEMod emissions outputs are presented in Appendix 2.2.

<sup>1</sup> Although the Project is required to comply with ARB's idling limit of 5 minutes, staff at SCAQMD recommends that the on-site idling emissions should be estimated for 15 minutes of truck idling (personal communication, in person, with Jillian Wong, December 22, 2016), which would take into account on-site idling which occurs while the trucks are waiting to pull up to the truck bays, idling at the bays, idling at check-in and check-out, etc.

**TABLE 2-1: CONSTRUCTION DURATION**

Phase Name	Days
Site Preparation	5
Grading	8
Building Construction	230
Paving	18
Architectural Coating	18

**TABLE 2-2: CONSTRUCTION EQUIPMENT ASSUMPTIONS**

Activity	Equipment	Amount	Hours Per Day
Site Preparation	Crawler Tractors	4	8
	Rubber Tired Dozers	3	8
Grading	Crawler Tractors	3	8
	Excavator	3	8
	Graders	2	8
	Rubber Tired Dozers	2	8
	Scrapers	3	8
Building Construction	Cranes	2	8
	Crawler Tractors	5	8
	Forklifts	5	8
	Generator Sets	2	8
	Welders	2	8
Paving	Pavers	2	8
	Paving Equipment	2	8
	Rollers	2	8
Architectural Coating	Air Compressors	1	8

The modeled emission sources for construction activity are illustrated on Exhibit 2-A.



## EXHIBIT 2-A: MODELED CONSTRUCTION EMISSION SOURCES



### LEGEND:

 Construction Activity

## 2.3 OPERATIONAL HEALTH RISK ASSESSMENT

### 2.3.1 ON-SITE AND OFF-SITE TRUCK ACTIVITY

Vehicle DPM emissions were estimated using emission factors for particulate matter less than 10 $\mu$ m in diameter (PM<sub>10</sub>) generated with the 2017 version of the Emission FACTor model (EMFAC) developed by the ARB. EMFAC 2017 is a mathematical model that was developed to calculate emission rates from motor vehicles that operate on highways, freeways, and local roads in California and is commonly used by the ARB to project changes in future emissions from on-road mobile sources (5). The most recent version of this model, EMFAC 2017, incorporates regional motor vehicle data, information and estimates regarding the distribution of vehicle miles traveled (VMT) by speed, and number of starts per day.

Several distinct emission processes are included in EMFAC 2017. Emission factors calculated using EMFAC 2017 are expressed in units of grams per vehicle miles traveled (g/VMT) or grams per idle-hour (g/idle-hr), depending on the emission process. The emission processes and corresponding emission factor units associated with diesel particulate exhaust for this Project are presented below.

For this Project, annual average PM<sub>10</sub> emission factors were generated by running EMFAC 2017 in EMFAC Mode for vehicles in the San Bernardino County jurisdiction. The EMFAC Mode generates emission factors in terms of grams of pollutant emitted per vehicle activity and can calculate a matrix of emission factors at specific values of temperature, relative humidity, and vehicle speed. The model was run for speeds traveled in the vicinity of the Project. The vehicle travel speeds for each segment modeled are summarized below.

- Idling – on-site loading/unloading and truck gate
- 5 miles per hour – on-site vehicle movement including driving and maneuvering
- 25 miles per hour – off-site vehicle movement including driving and maneuvering.

Calculated emission factors are shown at Table 2-3. As a conservative measure, a 2022 EMFAC 2017 run was conducted and a static 2022 emissions factor data set was used for the entire duration of analysis herein (e.g., 30 years). Use of 2022 emission factors would overstate potential impacts since this approach assumes that emission factors remain “static” and do not change over time due to fleet turnover or cleaner technology with lower emissions that would be incorporated after 2022. Additionally, based on EMFAC2017, Light-Heavy-Duty Trucks comprise of 45.12% diesel, Medium-Heavy-Duty Trucks comprise of 91.03% diesel, and Heavy-Heavy-Duty Trucks comprise of 92.75% diesel trucks and have been accounted for accordingly in the emissions factor generation.

The vehicle DPM exhaust emissions were calculated for running exhaust emissions. The running exhaust emissions were calculated by applying the running exhaust PM<sub>10</sub> emission factor (g/VMT) from EMFAC over the total distance traveled. The following equation was used to estimate off-site emissions for each of the different vehicle classes comprising the mobile sources (6):

$$\text{Emissions}_{\text{speedA}} \text{ (g/s)} = \text{EF}_{\text{RunExhaust}} \text{ (g/VMT)} * \text{Distance (VMT/trip)} * \text{Number of Trips (trips/day)} / \text{seconds per day}$$

Where:

$\text{Emissions}_{\text{speedA}}$  (g/s): Vehicle emissions at a given speed A;

$\text{EF}_{\text{RunExhaust}}$  (g/VMT): EMFAC running exhaust PM<sub>10</sub> emission factor at speed A;

Distance (VMT/trip): Total distance traveled per trip.

Similar to off-site traffic, on-site vehicle running emissions were calculated by applying the running exhaust PM<sub>10</sub> emission factor (g/VMT) from EMFAC and the total vehicle trip number over the length of the driving path using the same formula presented above for on-site emissions. In addition, on-site vehicle idling exhaust emissions were calculated by applying the idle exhaust PM<sub>10</sub> emission factor (g/idle-hr) from EMFAC and the total truck trip over the total idle time (15 minutes). The following equation was used to estimate the on-site vehicle idling emissions for each of the different vehicle classes (6):

$$\text{Emissions}_{\text{idle}} \text{ (g/s)} = \text{EF}_{\text{idle}} \text{ (g/hr)} * \text{Number of Trips (trips/day)} * \text{Idling Time (min/trip)} * 60 \text{ minutes per hour} / \text{seconds per day}$$

Where:

$\text{Emissions}_{\text{idle}}$  (g/s): Vehicle emissions during idling;

$\text{EF}_{\text{idle}}$  (g/s): EMFAC idle exhaust PM<sub>10</sub> emission factor.

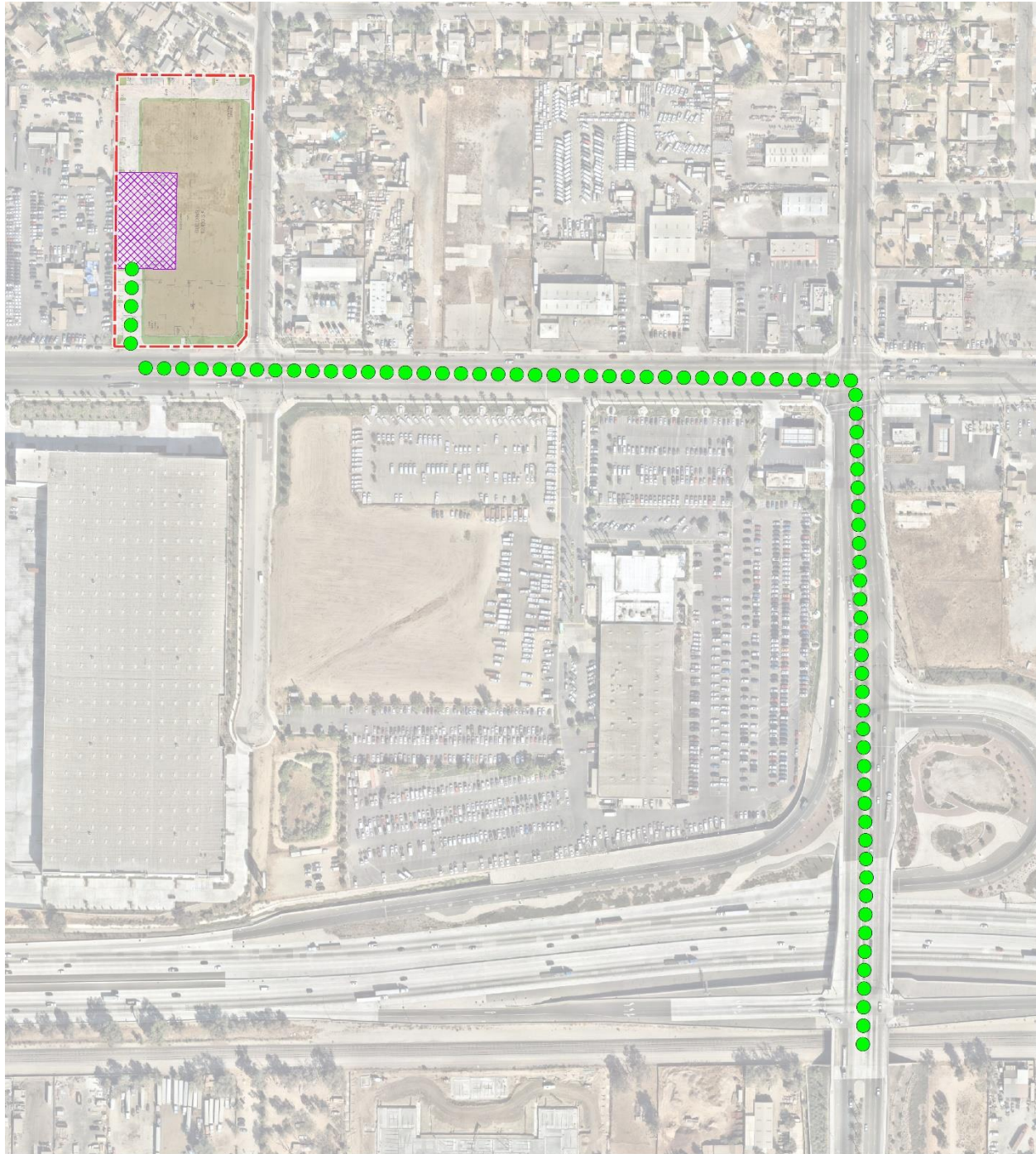
**TABLE 2-3: 2022 WEIGHTED AVERAGE DPM EMISSIONS FACTORS**

Speed	Weighted Average
0 (idling)	0.09641 (g/idle-hr)
5	0.04250 (g/s)
25	0.01853 (g/s)

Each roadway was modeled as a line source (made up of multiple adjacent volume sources). Due to the large number of volume sources modeled for this analysis, the corresponding coordinates of each volume source have not been included in this report but are included in Appendix 2.2. The DPM emission rate for each volume source was calculated by multiplying the emission factor (based on the average travel speed along the roadway) by the number of trips and the distance traveled along each roadway segment and dividing the result by the number of volume sources along that roadway, as illustrated on Table 2-4. The modeled emission sources are illustrated on Exhibit 2-B. The modeled truck travel routes included in the HRA are based on the anticipated truck trip distribution for the Project.



## EXHIBIT 2-B: MODELED OPERATIONAL EMISSION SOURCES



**TABLE 2-4: DPM EMISSIONS FROM PROJECT TRUCKS (2022 ANALYSIS YEAR)**

Truck Emission Rates						
Source	Trucks Per Day	VMT <sup>a</sup> (miles/day)	Truck Emission Rate <sup>b</sup> (grams/mile)	Truck Emission Rate <sup>b</sup> (grams/idle-hour)	Daily Truck Emissions <sup>c</sup> (grams/day)	Modeled Emission Rates (g/second)
On-Site Idling	23			0.0964	0.55	6.416E-06
On-Site Travel	46	3.30	0.0425		0.14	1.625E-06
Off-Site Travel	46	27.13	0.0185		0.50	5.819E-06
<sup>a</sup> Vehicle miles traveled are for modeled truck route only. <sup>b</sup> Emission rates determined using EMFAC 2017. Idle emission rates are expressed in grams per idle hour rather than grams per mile. <sup>c</sup> This column includes the total truck travel and truck idle emissions. For idle emissions this column includes emissions based on the assumption that each truck idles for 15 minutes.						

potential impacts to sensitive receptors along the primary truck routes. The modeling domain is limited to the Project's primary truck route and includes off-site sources in the regional vicinity for more than ½ mile. This modeling domain is substantially more conservative than using only a ¼ mile modeling domain, which is supported by substantial evidence since several studies have shown that the greatest potential risks occur within a ¼ mile of the primary source of emissions (7) (in the case of the Project this is the on-site idling and on-site travel).

On-site truck idling was estimated to occur as trucks enter and travel through the facility. Although the Project is required to comply with CARB's idling limit of 5 minutes, staff at SCAQMD recommends that the on-site idling emissions should be estimated for 15 minutes of truck idling (8), which would take into account on-site idling which occurs while the trucks are waiting to pull up to the truck bays, idling at the bays, idling at check-in and check-out, etc. As such, this analysis estimated truck idling at 15 minutes, consistent with SCAQMD's recommendation.

Per the *9th Street Partners Valley Boulevard Trip Generation Assessment* prepared by Urban Crossroads, Inc., the Project is expected to generate a total of approximately 164 vehicular trips per day (82 vehicle trips inbound and 82 vehicle trips outbound), which includes 46 truck trips per day (23 truck trips inbound and 23 truck trips outbound) (2).

## 2.4 EXPOSURE QUANTIFICATION

The analysis herein has been conducted in accordance with the guidelines in the Health Risk Assessment Guidance for Analyzing Cancer Risks from Mobile Source Diesel Idling Emissions for CEQA Air Quality Analysis (1). SCAQMD recommends using the Environmental Protection Agency's (U.S. EPA's) AERMOD model. For purposes of this analysis, the model was used to calculate annual average particulate concentrations associated with site construction and operations.

To determine contaminant impacts during construction hours, the model's "hour-of-day" (HROD) scalar option was invoked to predict ground-level concentrations for emissions generated during both daytime and nighttime construction activities. For analytical purposes, the nighttime construction activities were determined to generate higher concentrations due to low night-time wind speeds and temperature. As such, the nighttime emissions were used to determine the maximum potential impact from construction activity. Equipment emissions were modeled at the Project site and Excess Fill Dirt Sites utilizing AERMOD's polygon area source algorithm.

The model offers additional flexibility by allowing the user to assign an initial release height and vertical dispersion parameters for mobile sources representative of a roadway. For this HRA, the roadways were modeled as adjacent volume sources. Roadways were modeled using the U.S. EPA's haul route methodology for modeling of on-site and off-site truck movement. More specifically, the Haul Road Volume Source Calculator in Lakes AERMOD View has been utilized to determine the release height parameters. Based on the US EPA methodology, the Project's modeled sources would result in a release height of 3.49 meters, and an initial lateral dimension of 4.0 meters, and an initial vertical dimension of 3.25 meters.

SCAQMD required model parameters are presented in Table 2-5 (9). The model requires additional input parameters including emission data and local meteorology. Meteorological data from the SCAQMD's Fontana (FONT) monitoring station (SRA 34) was used to represent local weather conditions and prevailing winds (10).

**TABLE 2-5: AERMOD MODEL PARAMETERS**

Dispersion Coefficient	Urban
Population	2,035,210
Terrain	Elevated (Regulatory Default)
Averaging Time	1 year (5-year Meteorological Data Set)
Receptor Height	0 meters (Regulatory Default)

Universal Transverse Mercator (UTM) coordinates for World Geodetic System (WGS) 84 were used to locate the project boundaries, each volume source location, and receptor locations in the project vicinity. The AERMOD dispersion model summary output files for the proposed facility are presented in Appendix 2.2.

Modeled sensitive receptors were placed at residential and non-residential locations as illustrated on Exhibit 2-C.

Receptors may be placed at applicable structure locations for residential and worker property and not necessarily the boundaries of these uses. It should be noted that the primary purpose of receptor placement is focused on long-term exposure. For example, the HRA evaluates the potential health risks from project operations to residential and worker over a period of 30 or 25 years of exposure, respectively. As such, even though it is unlikely to occur in practical terms (because the amount of time spent indoors), this study assumes that a resident or worker would be exposed over a long-period of time for 12 or 24-hours per day at the structure where they reside or work.

Furthermore, worker receptors immediately adjacent to the Project site have been evaluated in the HRA. Any impacts to workers located further away from the Project site than the modeled worker receptors would have a lesser impact than what has already been disclosed in the HRA at the MEIW.

Discrete variants for daily breathing rates, exposure frequency, and exposure duration were obtained from relevant distribution profiles presented in the 2015 OEHHA Guidelines. Tables 2-6 through 2-9 summarize the Exposure Parameters for Construction Activity, Residents, Offsite Worker, and School scenarios based on 2015 OEHHA Guidelines. Appendix 2.3 includes the detailed risk calculation.



## EXHIBIT 2-C: NEAREST MODELED RECEPTORS





**TABLE 2-6: EXPOSURE ASSUMPTIONS FOR INDIVIDUAL CANCER RISK (CONSTRUCTION ACTIVITY)**

Age	Daily Breathing Rate (L/kg-day)	Age Specific Factor	Exposure Duration (years)	Fraction of Time at Home	Exposure Frequency (days/year)	Exposure Time (hours/day)
0 to 2	1,090	10	2	0.85	345	8

**TABLE 2-7: EXPOSURE ASSUMPTIONS FOR INDIVIDUAL CANCER RISK (30 YEAR RESIDENTIAL)**

Age	Daily Breathing Rate (L/kg-day)	Age Specific Factor	Exposure Duration (years)	Fraction of Time at Home	Exposure Frequency (days/year)	Exposure Time (hours/day)
-0.25 to 0	361	10	0.25	0.85	350	24
0 to 2	1,090	10	2	0.85	350	24
2 to 16	572	3	14	0.72	350	24
16 to 30	261	1	14	0.73	350	24

**TABLE 2-8: EXPOSURE ASSUMPTIONS FOR INDIVIDUAL CANCER RISK (25 YEAR WORKER)**

Age	Daily Breathing Rate (L/kg-day)	Age Specific Factor	Exposure Duration (years)	Exposure Frequency (days/year)	Exposure Time (hours/day)
16 to 41	230	1	25	250	12

**TABLE 2-9: EXPOSURE ASSUMPTIONS FOR INDIVIDUAL CANCER RISK (9 YEAR SCHOOL CHILD)**

Age	Daily Breathing Rate (L/kg-day)	Age Specific Factor	Exposure Duration (years)	Exposure Frequency (days/year) <sup>a</sup>	Exposure Time (hours/day)
4 to 13	572	3	9	180	12

<sup>a</sup> To represent the unique characteristics of the school-based population, the assessment employed the U.S. Environmental Protection Agency's guidance to develop viable dose estimates based on reasonable maximum exposures (RME). RME's are defined as the "highest exposure that is reasonably expected to occur" for a given receptor population. As a result, lifetime risk values for the student population were adjusted to account for an exposure duration of 180 days per year for nine (9) years. The 9 year exposure duration is also consistent with OEHHA Recommendations and consistent with the exposure duration utilized in school-based risk assessments for various schools within the Los Angeles County Unified School District (LAUSD) that have been accepted by the SCAQMD.

## 2.5 CARCINOGENIC CHEMICAL RISK

The SCAQMD CEQA Air Quality Handbook (1993) states that emissions of toxic air contaminants (TACs) are considered significant if a HRA shows an increased risk of greater than 10 in one million. Based on guidance from the SCAQMD in the document Health Risk Assessment Guidance

for Analyzing Cancer Risks from Mobile Source Diesel Idling Emissions for CEQA Air Quality Analysis (1), for purposes of this analysis, 10 in one million is used as the cancer risk threshold for the proposed Project.

Excess cancer risks are estimated as the upper-bound incremental probability that an individual will develop cancer over a lifetime as a direct result of exposure to potential carcinogens over a specified exposure duration. The estimated risk is expressed as a unitless probability. The cancer risk attributed to a chemical is calculated by multiplying the chemical intake or dose at the human exchange boundaries (e.g., lungs) by the chemical-specific cancer potency factor (CPF). A risk level of 10 in one million implies a likelihood that up to 10 people, out of one million equally exposed people would contract cancer if exposed continuously (24 hours per day) to the levels of toxic air contaminants over a specified duration of time. As an example, the risk of dying from accidental drowning is 1,000 in a million which is 100 times more than the SCAQMD's threshold of 10 in one million, the nearest comparison to 10 in one million is the 7 in one million lifetime chance that an individual would be struck and killed by lightning (11).

Guidance from CARB and the California Environmental Protection Agency, Office of Environmental Health Hazard Assessment (OEHHA) recommends a refinement to the standard point estimate approach when alternate human body weights and breathing rates are utilized to assess risk for susceptible subpopulations such as children. For the inhalation pathway, the procedure requires the incorporation of several discrete variates to effectively quantify dose. Once determined, contaminant dose is multiplied by the cancer potency factor (CPF) in units of inverse dose expressed in milligrams per kilogram per day (mg/kg/day)<sup>-1</sup> to derive the cancer risk estimate. Therefore, to assess exposures, the following dose algorithm was utilized.

$$\text{DOSE}_{\text{air}} = (\text{C}_{\text{air}} \times [\text{BR}/\text{BW}] \times \text{A} \times \text{EF}) \times (1 \times 10^{-6})$$

Where:

DOSE <sub>air</sub>	=	chronic daily intake (mg/kg/day)
C <sub>air</sub>	=	concentration of contaminant in air (ug/m <sup>3</sup> )
[BR/BW]	=	daily breathing rate normalized to body weight (L/kg BW-day)
A	=	inhalation absorption factor
EF	=	exposure frequency (days/365 days)
BW	=	body weight (kg)
1 x 10 <sup>-6</sup>	=	conversion factors (ug to mg, L to m <sup>3</sup> )
RISK <sub>air</sub> = DOSE <sub>air</sub> x CPF x ED/AT		

Where:

DOSE <sub>air</sub>	=	chronic daily intake (mg/kg/day)
CPF	=	cancer potency factor
ED	=	number of years within particular age group

AT = averaging time

## 2.6 NON-CARCINOGENIC EXPOSURES

An evaluation of the potential noncarcinogenic effects of chronic exposures was also conducted. Adverse health effects are evaluated by comparing a compound's annual concentration with its toxicity factor or Reference Exposure Level (REL). The REL for diesel particulates was obtained from OEHHA for this analysis. The chronic reference exposure level (REL) for DPM was established by OEHHA as  $5 \mu\text{g}/\text{m}^3$  (OEHHA Toxicity Criteria Database, <http://www.oehha.org/risk/chemicaldb/index.asp>).

The non-cancer hazard index was calculated (consistent with SCAQMD methodology) as follows:

The relationship for the non-cancer health effects of DPM is given by the following equation:

$$HI_{DPM} = C_{DPM}/REL_{DPM}$$

Where:

- $HI_{DPM}$  = Hazard Index; an expression of the potential for non-cancer health effects.
- $C_{DPM}$  = Annual average DPM concentration ( $\mu\text{g}/\text{m}^3$ ).
- $REL_{DPM}$  = Reference exposure level (REL) for DPM; the DPM concentration at which no adverse health effects are anticipated.

For purposes of this analysis the hazard index for the respiratory endpoint totaled less than one for all receptors in the project vicinity, and thus is less than significant.

## 2.7 POTENTIAL PROJECT-RELATED DPM SOURCE CANCER AND NON-CANCER RISKS<sup>2</sup>

### CONSTRUCTION IMPACTS

The land use with the greatest potential exposure to Project construction DPM source emissions is Location R2 which is located approximately 15 feet north of the Project site at an existing residence. At the maximally exposed individual receptor (MEIR), the maximum incremental cancer risk attributable to Project construction DPM source emissions is estimated at 6.89 in one million, which is less than the threshold of 10 in one million. At this same location, non-cancer risks were estimated to be  $\leq 0.01$ , which would not exceed the applicable threshold of 1.0. As such, the Project will not cause a significant human health or cancer risk to adjacent land uses as a result of Project construction activity. All other receptors during construction activity would experience less risk than what is identified for this location. The nearest modeled receptors are illustrated on Exhibit 2-C.

### OPERATIONAL IMPACTS

#### Residential Exposure Scenario:

The residential land use with the greatest potential exposure to Project operational DPM source emissions is Location R5 which is located approximately 98 feet east of the Project site across Catawba Avenue at an existing residence. This location experiences the greatest potential exposure to Project DPM source emissions due to meteorological conditions and the anticipated truck travel patterns anticipated for the Project, even though there may be other residential receptor locations located in a closer proximity to the Project. At the MEIR, the maximum incremental cancer risk attributable to Project DPM source emissions is estimated at 0.46 in one million, which is less than the threshold of 10 in one million. At this same location, non-cancer risks were estimated to be  $\leq 0.01$ , which would not exceed the applicable threshold of 1.0. As such, the Project will not cause a significant human health or cancer risk to residences in the Project vicinity. All other modeled residential locations in the vicinity of the Project would be exposed to less emissions and therefore less risk than the MEIR identified herein. The nearest modeled receptors are illustrated on Exhibit 2-C.

#### Worker Exposure Scenario:

The worker receptor land use with the greatest potential exposure to Project operational DPM source emissions is Location R8 which is located immediately adjacent to the west of the Project site at a commercial land use. At the maximally exposed individual worker (MEIW), the maximum incremental cancer risk impact at this location is 0.14 in one million which is less than the threshold of 10 in one million. Maximum non-cancer risks at this same location were estimated to be  $\leq 0.01$ , which would not exceed the applicable threshold of 1.0. As such, the Project will not

2 SCAQMD guidance does not require assessment of the potential health risk to on-site workers. Excerpts from the document OEHHA Air Toxics Hot Spots Program Risk Assessment Guidelines—The Air Toxics Hot Spots Program Guidance Manual for Preparation of Health Risk Assessments (OEHHA 2003), also indicate that it is not necessary to examine the health effects to on-site workers unless required by RCRA (Resource Conservation and Recovery Act) / CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act) or the worker resides on-site.

cause a significant human health or cancer risk to adjacent workers. All other modeled worker locations in the vicinity of the Project would be exposed to less emissions and therefore less risk than the MEIW identified herein. The nearest modeled receptors are illustrated on Exhibit 2-C.

*School Child Exposure Scenario:*

The school site land use with the greatest potential exposure to Project operational DPM source emissions is at Location R6 which represents the playground area of the Poplar Elementary School located approximately 350 feet northwest of the Project site. At the maximally exposed individual school child (MEISC), the maximum incremental cancer risk attributable to the Project at this location is calculated to be an estimated 0.05 in one million which is less than the significance threshold of 10 in one million. At this same location, non-cancer risks attributable to the Project were calculated to be  $\leq 0.01$ , which would not exceed the applicable significance threshold of 1.0. Any other schools near the Project site would be exposed to less emissions and consequently less impacts than what is disclosed for the MEISC. As such, the Project will not cause a significant human health or cancer risk to nearby school children. The nearest modeled receptors are illustrated on Exhibit 2-C.

**CONSTRUCTION AND OPERATIONAL IMPACTS**

The land use with the greatest potential exposure to Project construction and operational DPM source emissions is Location R2 which is located approximately 15 feet north of the Project site at an existing residence. At the maximally exposed individual receptor (MEIR), the maximum incremental cancer risk attributable to Project construction and operational DPM source emissions is estimated at 6.91 in one million, which is less than the threshold of 10 in one million. At this same location, non-cancer risks were estimated to be  $\leq 0.01$ , which would not exceed the applicable threshold of 1.0. As such, the Project will not cause a significant human health or cancer risk to adjacent land uses as a result of Project construction and operational activity. All other receptors during construction activity would experience less risk than what is identified for this location. The nearest modeled receptors are illustrated on Exhibit 2-C.

### 3 CUMULATIVE TOXIC AIR CONTAMINANTS (TACS)

#### 3.1 BACKGROUND

On July 23, 2021, the Attorney General of California (**AG**) filed a petition for writ of mandate challenging the City of Fontana's approval of a nearby Project. The AG alleges that the City's Mitigated Negative Declaration (**MND**) for the nearby Project is flawed because it lacks a sufficient analysis of cumulative air quality and health risk impacts. Primarily, the AG takes issue with the recommended applicable South Coast Air Quality Management District (SCAQMD) cumulative threshold as well as the fact that the vicinity of the Project is already developed with several existing warehouses and other warehouse uses are potentially proposed in the vicinity of the Project.

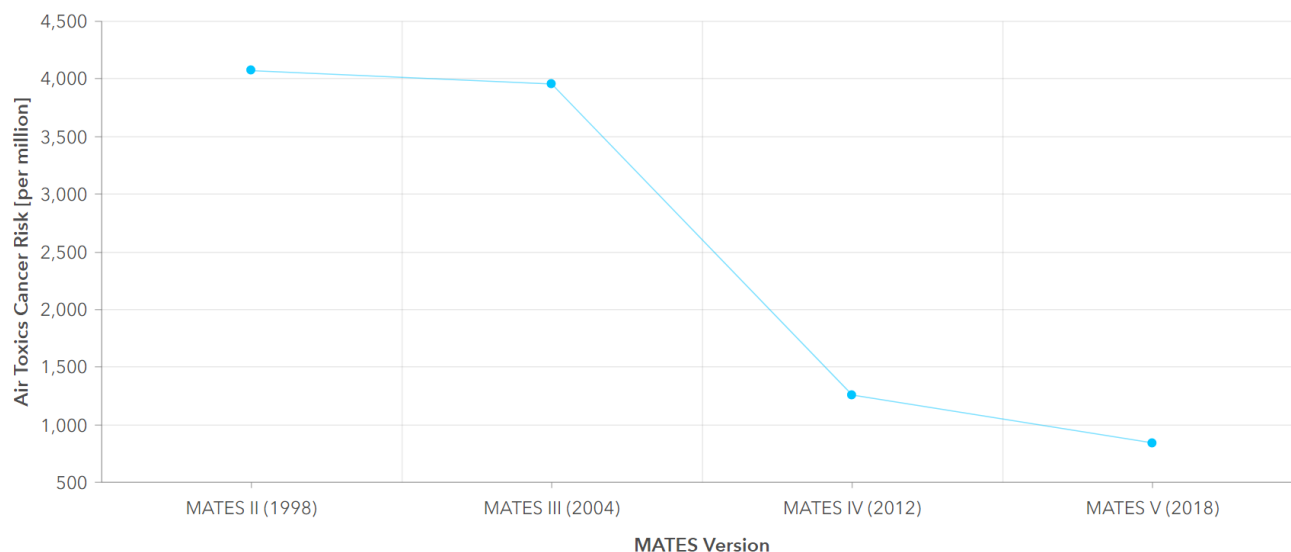
The purpose of this section effort is to provide additional background and analysis of the potential cumulative health risk impacts resulting from the existing and proposed warehouse uses in the vicinity of the proposed Project.

#### 3.2 EXISTING CONDITIONS TOXIC AIR CONTAMINANT (TAC) EMISSIONS

There are no state or federal ambient air quality standards applicable to toxic air contaminant (**TAC**) emissions. Preparing a cumulative assessment for TACs is complicated by the fact that site-specific impacts can be far different from average impacts over a larger geographic area. Impacts from TAC emissions are highest closest to sources of TACs, but the sources are often spread over a large area. For example, emissions from diesel engines, the largest source of risk from TACs, are operated on roads, businesses, and construction sites throughout the air basin. Locations where large numbers of TAC sources are concentrated such as freeways, rail yards, and ports may pose a higher level of risk to sensitive receptors near these facilities. Examination of the risk from TACs at national, state, regional, and local levels is useful for providing context, but site-specific evaluation is ultimately necessary to determine existing conditions for development projects.

#### 3.3 AMBIENT TAC IMPACTS PRESUMED TO BE CUMULATIVELY SIGNIFICANT

The SCAQMD has conducted an in-depth periodic analysis of the toxic air contaminants and their resulting health risks within the air basin. This study, the *Multiple Air Toxics Exposure Study in the South Coast Air Basin*, shows that cancer risk has decreased by approximately 80% between MATES II (1998) and MATES V (2018) at the nearest monitored location to the Project site (Inland Valley San Bernardino) (12), as shown on Exhibit 3-A.

**EXHIBIT 3-A: AIR TOXICS CANCER RISK TRENDS INLAND VALLEY SAN BERNARDINO**

MATES-V is the most comprehensive dataset documenting the ambient air toxic levels and health risks associated with the South Coast Air Basin emissions. Therefore, MATES-V study represents the baseline health risk for a cumulative analysis. The available scientific data from SCAQMD, who is the expert agency charged with governing air quality and preparing regional risk calculations, shows that although there has been tremendous growth basin-wide, risk levels have declined. The decline in emissions is likely due to existing regulatory requirements that have been implemented over the past 20 years.

The SCAQMD has published a report on how to address cumulative impacts from air pollution: *White Paper on Potential Control Strategies to Address Cumulative Impacts from Air Pollution* (13). In this report the AQMD states (Page D-3):

*"...the AQMD uses the same significance thresholds for project specific and cumulative impacts for all environmental topics analyzed in an Environmental Assessment or EIR. The only case where the significance thresholds for project specific and cumulative impacts differ is the Hazard Index (HI) significance threshold for toxic air contaminant (TAC) emissions. The project specific (project increment) significance threshold is  $HI > 1.0$  while the cumulative (facility-wide) is  $HI > 3.0$ . It should be noted that the HI is only one of three TAC emission significance thresholds considered (when applicable) in a CEQA analysis. The other two are the maximum individual cancer risk (MICR) and the cancer burden, both of which use the same significance thresholds (MICR of 10 in 1 million and cancer burden of 0.5) for project specific and cumulative impacts.*

*Projects that exceed the project-specific significance thresholds are considered by the SCAQMD to be cumulatively considerable. This is the reason project-specific and cumulative significance thresholds are the same. Conversely, projects that do not exceed the project-specific thresholds are generally not considered to be cumulatively significant."*

In many ways, California's Proposition 65, also called the Safe Drinking Water and Toxic Enforcement Act, which became law in 1986 can serve as a benchmark for cumulative risk

assessment (14). Under Proposition 65, the law defines “no significant cancer risk” as a level of exposure that would cause no more than 1 extra case of cancer in 100,000 people or in other words 10 extra cases of cancer in 1,000,000 people over a 70-year lifetime (the same threshold used in the MND and recommended by SCAQMD). It should be noted that diesel exhaust (**DE**) or diesel particulate matter (**DPM**) is listed by the Office of Environmental Health Hazard Assessment (**OEHHA**) as a known carcinogen with respect to Proposition 65.

### **3.4 JUSTIFICATION OF A GEOGRAPHIC SCOPE IN RISK ASSESSMENT**

Proximity to sources of toxics is critical to determining the impact. In traffic-related studies, the additional non-cancer health risk attributable to proximity was seen within 1,000 feet and was strongest within 300 feet. California freeway studies show about a 70-percent drop-off in particulate pollution levels at 500 feet. Based on ARB and SCAQMD emissions and modeling analyses, an 80-percent drop-off in pollutant concentrations is expected at approximately 1,000 feet from a distribution center (7).

The 1,000-foot evaluation distance is supported by research-based findings concerning TAC emission dispersion rates from roadways and large sources showing that emissions diminish substantially between 500 and 1,000 feet from emission sources.

Lastly, the Waters Bill (AB 3205) (H&SC Section, 42301.6 through 42301.9) (15) addresses sources of hazardous air pollutants near schools and although not directly applicable to this project, this bill further evidences the propriety of considering hazardous emissions sources within a defined 1,000-foot radius. That is, pursuant to the Waters Bill, prior to approving an application for a permit to construct or modify a source which emits hazardous air emissions (i.e. DPM), which source is located within 1,000 feet from the outer boundary of a school site, the air pollution control officer shall prepare a public notice in which the proposed project or modification for which the application for a permit is made is fully described.

For assessing the cumulative impacts of a new source of TAC emissions associated with a project in combination with existing sources and probable future sources, a project radius is necessary. Assessment of impacts from existing sources within 1,000 feet (zone of influence) of the new source in combination with risks and hazards from the new source is recommended. Then, once the location of the maximally impacted receptor is identified for the project, cumulative impacts from other sources within the radius of the project (i.e., not the receptor) are assessed at that location. Assessments should sum individual hazards or risks to find the cumulative impact at the location of the maximally impacted receptor from the new source.

### **3.5 RELATED PROJECTS CONTRIBUTION TO CUMULATIVE TAC IMPACTS**

New or proposed potential TAC-generating projects (related projects) in the regional vicinity could contribute to cumulative TAC impacts. The AG, in their writ of mandate, identified eleven existing warehouses that have been built as illustrated on Exhibit 3-B (see letters A through K). The AG identified three additional warehouses that have recently been approved in the regional vicinity (see letters A-1 through C-1). Further, in an effort to ensure that all related projects are included in this assessment, the City of Fontana was contacted to determine if there are any



### EXHIBIT 3-B: RELATED PROJECTS WITHIN A 1,000 FT ZONE OF INFLUENCE



additional projects that are proposed in the area. The projects listed were identified based on their propensity to generate TACs that would contribute to, or interact with, TACs generated by the Project. Exhibit 3-B identifies the zone of influence relative to the proposed project. It should be noted that, none of the existing or proposed warehouses identified by the AG fall within the zone of influence. There is one related project that has been approved by the City within the proposed project's zone of influence.

The primary TAC-source emission associated with the cumulative projects would be DPM associated with any truck trips accessing the cumulative projects and traveling on roadways in the zone of influence. Because the potential risk to an individual receptor is primarily a function of the distance of that receptor to a particular source, it is conservative to sum the risk values that would be generated based on the proposed projects and project Boyle Warehouse Project (identified as B-2 on Exhibit 3-B) that is within the proposed project's zone of influence. It is conservative to assume that the maximum impact from each related project overlaps and would occur at the same location in the Project vicinity.

SCAQMD does not require and does not have an established method for cumulative analysis, however, for informational purposes a cumulative analysis of related projects within the zone of influence was conducted by assessing the related projects within a 1,000-foot zone of influence. The information obtained regarding the Boyle Warehouse Project (B-2) was obtained from the report *Air Toxics Health Risk Assessment for the Boyle Warehouse Project* prepared by UltraSystems on November 14, 2019, as part of the CEQA documentation for the Boyle Warehouse project (16) (see Appendix 3.1 of this report for more information). It is conservatively assumed that the proposed Project and Boyle Warehouse project would have overlapping truck routes at the on/off ramps at I-10 and Citrus. It was determined that the most impacted sensitive receptor would be existing residences located on Boyle Street to the east of Citrus Avenue. A cumulative analysis was conducted adding the maximum risk estimates identified by the Boyle Warehouse Project and the proposed Project's maximum risk estimates. The nearest modeled receptors are illustrated on Exhibit 2-C (previously presented).

The land use with the greatest potential exposure to Project and related project cumulative DPM source emissions is Location R26 which is located approximately 2,119 feet south of the proposed Project site. At the MEIR, the maximum incremental cancer risk attributable to cumulative Project and related project DPM source emissions is estimated at 0.69 in one million (0.06 in one million for the proposed Project plus 0.63 in one million from the Boyle Warehouse Project), which is less than the threshold of 10 in one million. At this same location, non-cancer risks were estimated to be  $\leq 0.01$ , which would not exceed the applicable cumulative threshold of 3.0. As such, the Project will not cause a significant human health or cancer risk based on cumulative emissions. All other receptors would experience less risk than what is identified for this location.

### 3.6 PROJECT MAXIMUM CONTRIBUTION TO CUMULATIVE TAC IMPACTS

TACs would incrementally increase the cumulative cancer risk by a maximum of 0.69 incidents per million population. The applicable SCAQMD significance threshold for Project-level TAC-

source cancer risk impacts is 10 incidents per million population. Similarly, SCAQMD significance thresholds state that Project contributions to cumulative TAC-source cancer risks would be cumulatively considerable if greater than 10 incidents per million population would occur. Here, for informational purposes a cumulative analysis of related projects within the zone of influence was conducted and the 0.69 incidents per million population increment resulting from the Project is therefore not significant nor cumulatively considerable.

### **3.7 CUMULATIVE IMPACTS**

The Project's contribution is less than cumulatively considerable because it is less than the 10 in one million incremental cancer risk thresholds established by the SCAQMD.

As such, the Project's maximum contribution to cumulative TAC Impacts would not be cumulatively considerable and a less than significant finding is supported.

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[http://www.aqmd.gov/rules/ciwig/final\\_white\\_paper.pdf](http://www.aqmd.gov/rules/ciwig/final_white_paper.pdf).
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<https://oehha.ca.gov/proposition-65>.
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<http://codes.lp.findlaw.com/cacode/HSC/1/d26/4/4/1/s42301.6>.
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## 5 CERTIFICATION

The contents of this health risk assessment represent an accurate depiction of the impacts to sensitive receptors associated with the proposed 9th Street Partners Valley Boulevard Project. The information contained in this health risk assessment report is based on the best available data at the time of preparation. If you have any questions, please contact me directly at (949) 660-1994.

Haseeb Qureshi  
Associate Principal  
URBAN CROSSROADS, INC.  
(949) 660-1994  
[hqureshi@urbanxroads.com](mailto:hqureshi@urbanxroads.com)

### EDUCATION

Master of Science in Environmental Studies  
California State University, Fullerton • May 2010

Bachelor of Arts in Environmental Analysis and Design  
University of California, Irvine • June 2006

### PROFESSIONAL AFFILIATIONS

AEP – Association of Environmental Planners  
AWMA – Air and Waste Management Association  
ASTM – American Society for Testing and Materials

### PROFESSIONAL CERTIFICATIONS

Environmental Site Assessment – American Society for Testing and Materials • June 2013  
Planned Communities and Urban Infill – Urban Land Institute • June 2011  
Indoor Air Quality and Industrial Hygiene – EMSL Analytical • April 2008  
Principles of Ambient Air Monitoring – California Air Resources Board • August 2007  
AB2588 Regulatory Standards – Trinity Consultants • November 2006  
Air Dispersion Modeling – Lakes Environmental • June 2006

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## **APPENDIX 2.1:**

### **CALEEMOD OUTPUTS**

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**JN:13850 9th St. Partner**  
**San Bernardino-South Coast County, Annual**

## 1.0 Project Characteristics

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### 1.1 Land Usage

Land Uses	Size	Metric	Lot Acreage	Floor Surface Area	Population
Unrefrigerated Warehouse-No Rail	92.43	1000sqft	2.12	92,433.00	0
User Defined Industrial	1.00	User Defined Unit	0.00	0.00	0
Parking Lot	58.35	1000sqft	1.34	58,346.00	0
Other Non-Asphalt Surfaces	25.43	1000sqft	0.58	25,431.00	0

### 1.2 Other Project Characteristics

Urbanization	Urban	Wind Speed (m/s)	2.2	Precipitation Freq (Days)	32
Climate Zone	10			Operational Year	2022
Utility Company	Southern California Edison				
CO2 Intensity (lb/MWhr)	702.44	CH4 Intensity (lb/MWhr)	0.029	N2O Intensity (lb/MWhr)	0.006

### 1.3 User Entered Comments & Non-Default Data

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Project Characteristics -

Land Use -

Construction Phase -

Architectural Coating - Rule 1113 Interior Coating

Vehicle Trips - User Defined Industrial = Truck Trips @ 40 miles

Fleet Mix - Fleet Mix for Passenger Cars vs Trucks

Construction Off-road Equipment Mitigation -

Table Name	Column Name	Default Value	New Value
tblArchitecturalCoating	EF_Nonresidential_Interior	100.00	50.00
tblFleetMix	HHD	0.06	0.00
tblFleetMix	HHD	0.06	0.42
tblFleetMix	LDA	0.55	0.62
tblFleetMix	LDA	0.55	0.00
tblFleetMix	LDT1	0.04	0.04
tblFleetMix	LDT1	0.04	0.00
tblFleetMix	LDT2	0.18	0.20
tblFleetMix	LDT2	0.18	0.00
tblFleetMix	LHD1	0.02	0.00
tblFleetMix	LHD1	0.02	0.22
tblFleetMix	LHD2	5.1010e-003	0.00
tblFleetMix	LHD2	5.1010e-003	0.09
tblFleetMix	MCY	5.9030e-003	0.00
tblFleetMix	MCY	5.9030e-003	0.00
tblFleetMix	MDV	0.12	0.13
tblFleetMix	MDV	0.12	0.00
tblFleetMix	MH	9.4400e-004	0.00

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tblFleetMix	MH	9.4400e-004	0.00
tblFleetMix	MHD	0.02	0.00
tblFleetMix	MHD	0.02	0.28
tblFleetMix	OBUS	1.3570e-003	0.00
tblFleetMix	OBUS	1.3570e-003	0.00
tblFleetMix	SBUS	8.0800e-004	0.00
tblFleetMix	SBUS	8.0800e-004	0.00
tblFleetMix	UBUS	1.5650e-003	0.00
tblFleetMix	UBUS	1.5650e-003	0.00
tblVehicleTrips	CC_TL	8.40	40.00
tblVehicleTrips	CC_TTP	0.00	100.00
tblVehicleTrips	PR_TP	0.00	100.00
tblVehicleTrips	ST_TR	1.68	1.27
tblVehicleTrips	ST_TR	0.00	46.00
tblVehicleTrips	SU_TR	1.68	1.27
tblVehicleTrips	SU_TR	0.00	46.00
tblVehicleTrips	WD_TR	1.68	1.27
tblVehicleTrips	WD_TR	0.00	46.00

## 2.0 Emissions Summary

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**2.1 Overall Construction****Unmitigated Construction**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	tons/yr										MT/yr					
2021	0.1828	1.6466	1.5150	3.1900e-003	0.1426	0.0781	0.2207	0.0575	0.0732	0.1307	0.0000	282.4324	282.4324	0.0503	0.0000	283.6905
2022	0.3865	0.9235	0.9958	2.0900e-003	0.0477	0.0416	0.0893	0.0129	0.0391	0.0519	0.0000	184.3072	184.3072	0.0324	0.0000	185.1182
Maximum	0.3865	1.6466	1.5150	3.1900e-003	0.1426	0.0781	0.2207	0.0575	0.0732	0.1307	0.0000	282.4324	282.4324	0.0503	0.0000	283.6905

**Mitigated Construction**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	tons/yr										MT/yr					
2021	0.1828	1.6466	1.5150	3.1900e-003	0.0991	0.0781	0.1771	0.0342	0.0732	0.1073	0.0000	282.4322	282.4322	0.0503	0.0000	283.6903
2022	0.3865	0.9235	0.9958	2.0900e-003	0.0477	0.0416	0.0893	0.0129	0.0391	0.0519	0.0000	184.3070	184.3070	0.0324	0.0000	185.1181
Maximum	0.3865	1.6466	1.5150	3.1900e-003	0.0991	0.0781	0.1771	0.0342	0.0732	0.1073	0.0000	282.4322	282.4322	0.0503	0.0000	283.6903

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio-CO2	Total CO2	CH4	N2O	CO2e
Percent Reduction	0.00	0.00	0.00	0.00	22.88	0.00	14.05	33.20	0.00	12.79	0.00	0.00	0.00	0.00	0.00	0.00

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Quarter	Start Date	End Date	Maximum Unmitigated ROG + NOX (tons/quarter)	Maximum Mitigated ROG + NOX (tons/quarter)
1	6-1-2021	8-31-2021	0.8194	0.8194
2	9-1-2021	11-30-2021	0.7412	0.7412
3	12-1-2021	2-28-2022	0.6863	0.6863
4	3-1-2022	5-31-2022	0.5862	0.5862
5	6-1-2022	8-31-2022	0.2809	0.2809
		Highest	0.8194	0.8194

## 2.2 Overall Operational

Unmitigated Operational

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Area	0.3836	2.0000e-005	2.2700e-003	0.0000		1.0000e-005	1.0000e-005		1.0000e-005	1.0000e-005	0.0000	4.4000e-003	4.4000e-003	1.0000e-005	0.0000	4.6900e-003
Energy	1.0100e-003	9.2000e-003	7.7300e-003	6.0000e-005		7.0000e-004	7.0000e-004		7.0000e-004	7.0000e-004	0.0000	86.0244	86.0244	3.3300e-003	8.3000e-004	86.3558
Mobile	0.0909	1.8916	1.0144	0.0100	0.4832	8.9600e-003	0.4922	0.1341	8.5300e-003	0.1426	0.0000	949.2783	949.2783	0.0259	0.0000	949.9265
Waste						0.0000	0.0000		0.0000	0.0000	17.6359	0.0000	17.6359	1.0423	0.0000	43.6921
Water						0.0000	0.0000		0.0000	0.0000	6.7811	88.6776	95.4587	0.7002	0.0172	118.0889
<b>Total</b>	<b>0.4756</b>	<b>1.9009</b>	<b>1.0244</b>	<b>0.0101</b>	<b>0.4832</b>	<b>9.6700e-003</b>	<b>0.4929</b>	<b>0.1341</b>	<b>9.2400e-003</b>	<b>0.1433</b>	<b>24.4170</b>	<b>1,123.9847</b>	<b>1,148.4017</b>	<b>1.7717</b>	<b>0.0180</b>	<b>1,198.0680</b>

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**2.2 Overall Operational****Mitigated Operational**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Area	0.3836	2.0000e-005	2.2700e-003	0.0000		1.0000e-005	1.0000e-005		1.0000e-005	1.0000e-005	0.0000	4.4000e-003	4.4000e-003	1.0000e-005	0.0000	4.6900e-003
Energy	1.0100e-003	9.2000e-003	7.7300e-003	6.0000e-005		7.0000e-004	7.0000e-004		7.0000e-004	7.0000e-004	0.0000	86.0244	86.0244	3.3300e-003	8.3000e-004	86.3558
Mobile	0.0909	1.8916	1.0144	0.0100	0.4832	8.9600e-003	0.4922	0.1341	8.5300e-003	0.1426	0.0000	949.2783	949.2783	0.0259	0.0000	949.9265
Waste						0.0000	0.0000		0.0000	0.0000	17.6359	0.0000	17.6359	1.0423	0.0000	43.6921
Water						0.0000	0.0000		0.0000	0.0000	6.7811	88.6776	95.4587	0.7002	0.0172	118.0889
<b>Total</b>	<b>0.4756</b>	<b>1.9009</b>	<b>1.0244</b>	<b>0.0101</b>	<b>0.4832</b>	<b>9.6700e-003</b>	<b>0.4929</b>	<b>0.1341</b>	<b>9.2400e-003</b>	<b>0.1433</b>	<b>24.4170</b>	<b>1,123.9847</b>	<b>1,148.4017</b>	<b>1.7717</b>	<b>0.0180</b>	<b>1,198.0680</b>

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
<b>Percent Reduction</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**3.0 Construction Detail****Construction Phase**



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Phase Number	Phase Name	Phase Type	Start Date	End Date	Num Days Week	Num Days	Phase Description
1	Site Preparation	Site Preparation	6/1/2021	6/7/2021	5	5	
2	Grading	Grading	6/8/2021	6/17/2021	5	8	
3	Building Construction	Building Construction	6/18/2021	5/5/2022	5	230	
4	Paving	Paving	5/6/2022	5/31/2022	5	18	
5	Architectural Coating	Architectural Coating	6/1/2022	6/24/2022	5	18	

**Acres of Grading (Site Preparation Phase): 0**

**Acres of Grading (Grading Phase): 4**

**Acres of Paving: 1.92**

**Residential Indoor: 0; Residential Outdoor: 0; Non-Residential Indoor: 138,650; Non-Residential Outdoor: 46,217; Striped Parking Area: 5,027 (Architectural Coating – sqft)**

**OffRoad Equipment**

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Phase Name	Offroad Equipment Type	Amount	Usage Hours	Horse Power	Load Factor
Architectural Coating	Air Compressors	1	6.00	78	0.48
Paving	Cement and Mortar Mixers	2	6.00	9	0.56
Building Construction	Cranes	1	7.00	231	0.29
Building Construction	Forklifts	3	8.00	89	0.20
Grading	Excavators	1	8.00	158	0.38
Paving	Pavers	1	8.00	130	0.42
Paving	Rollers	2	6.00	80	0.38
Grading	Rubber Tired Dozers	1	8.00	247	0.40
Building Construction	Tractors/Loaders/Backhoes	3	7.00	97	0.37
Building Construction	Generator Sets	1	8.00	84	0.74
Grading	Tractors/Loaders/Backhoes	3	8.00	97	0.37
Paving	Tractors/Loaders/Backhoes	1	8.00	97	0.37
Site Preparation	Tractors/Loaders/Backhoes	4	8.00	97	0.37
Grading	Graders	1	8.00	187	0.41
Paving	Paving Equipment	2	6.00	132	0.36
Site Preparation	Rubber Tired Dozers	3	8.00	247	0.40
Building Construction	Welders	1	8.00	46	0.45

Trips and VMT

Phase Name	Offroad Equipment Count	Worker Trip Number	Vendor Trip Number	Hauling Trip Number	Worker Trip Length	Vendor Trip Length	Hauling Trip Length	Worker Vehicle Class	Vendor Vehicle Class	Hauling Vehicle Class
Site Preparation	7	18.00	0.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT
Grading	6	15.00	0.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT
Building Construction	9	74.00	29.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT
Paving	8	20.00	0.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT
Architectural Coating	1	15.00	0.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT

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**3.1 Mitigation Measures Construction**

Water Exposed Area

**3.2 Site Preparation - 2021****Unmitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					0.0452	0.0000	0.0452	0.0248	0.0000	0.0248	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	9.7200e-003	0.1012	0.0529	1.0000e-004		5.1100e-003	5.1100e-003		4.7000e-003	4.7000e-003	0.0000	8.3589	8.3589	2.7000e-003	0.0000	8.4265
<b>Total</b>	<b>9.7200e-003</b>	<b>0.1012</b>	<b>0.0529</b>	<b>1.0000e-004</b>	<b>0.0452</b>	<b>5.1100e-003</b>	<b>0.0503</b>	<b>0.0248</b>	<b>4.7000e-003</b>	<b>0.0295</b>	<b>0.0000</b>	<b>8.3589</b>	<b>8.3589</b>	<b>2.7000e-003</b>	<b>0.0000</b>	<b>8.4265</b>

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**3.2 Site Preparation - 2021****Unmitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	2.1000e-004	1.6000e-004	1.6000e-003	0.0000	4.9000e-004	0.0000	5.0000e-004	1.3000e-004	0.0000	1.3000e-004	0.0000	0.4095	0.4095	1.0000e-005	0.0000	0.4097
<b>Total</b>	<b>2.1000e-004</b>	<b>1.6000e-004</b>	<b>1.6000e-003</b>	<b>0.0000</b>	<b>4.9000e-004</b>	<b>0.0000</b>	<b>5.0000e-004</b>	<b>1.3000e-004</b>	<b>0.0000</b>	<b>1.3000e-004</b>	<b>0.0000</b>	<b>0.4095</b>	<b>0.4095</b>	<b>1.0000e-005</b>	<b>0.0000</b>	<b>0.4097</b>

**Mitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					0.0176	0.0000	0.0176	9.6800e-003	0.0000	9.6800e-003	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	9.7200e-003	0.1012	0.0529	1.0000e-004		5.1100e-003	5.1100e-003		4.7000e-003	4.7000e-003	0.0000	8.3589	8.3589	2.7000e-003	0.0000	8.4265
<b>Total</b>	<b>9.7200e-003</b>	<b>0.1012</b>	<b>0.0529</b>	<b>1.0000e-004</b>	<b>0.0176</b>	<b>5.1100e-003</b>	<b>0.0227</b>	<b>9.6800e-003</b>	<b>4.7000e-003</b>	<b>0.0144</b>	<b>0.0000</b>	<b>8.3589</b>	<b>8.3589</b>	<b>2.7000e-003</b>	<b>0.0000</b>	<b>8.4265</b>

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**3.2 Site Preparation - 2021****Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	2.1000e-004	1.6000e-004	1.6000e-003	0.0000	4.9000e-004	0.0000	5.0000e-004	1.3000e-004	0.0000	1.3000e-004	0.0000	0.4095	0.4095	1.0000e-005	0.0000	0.4097
<b>Total</b>	<b>2.1000e-004</b>	<b>1.6000e-004</b>	<b>1.6000e-003</b>	<b>0.0000</b>	<b>4.9000e-004</b>	<b>0.0000</b>	<b>5.0000e-004</b>	<b>1.3000e-004</b>	<b>0.0000</b>	<b>1.3000e-004</b>	<b>0.0000</b>	<b>0.4095</b>	<b>0.4095</b>	<b>1.0000e-005</b>	<b>0.0000</b>	<b>0.4097</b>

**3.3 Grading - 2021****Unmitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					0.0262	0.0000	0.0262	0.0135	0.0000	0.0135	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	9.1600e-003	0.0990	0.0634	1.2000e-004		4.6400e-003	4.6400e-003		4.2700e-003	4.2700e-003	0.0000	10.4215	10.4215	3.3700e-003	0.0000	10.5057
<b>Total</b>	<b>9.1600e-003</b>	<b>0.0990</b>	<b>0.0634</b>	<b>1.2000e-004</b>	<b>0.0262</b>	<b>4.6400e-003</b>	<b>0.0309</b>	<b>0.0135</b>	<b>4.2700e-003</b>	<b>0.0177</b>	<b>0.0000</b>	<b>10.4215</b>	<b>10.4215</b>	<b>3.3700e-003</b>	<b>0.0000</b>	<b>10.5057</b>

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**3.3 Grading - 2021****Unmitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	2.8000e-004	2.1000e-004	2.1400e-003	1.0000e-005	6.6000e-004	0.0000	6.6000e-004	1.7000e-004	0.0000	1.8000e-004	0.0000	0.5459	0.5459	2.0000e-005	0.0000	0.5463
<b>Total</b>	<b>2.8000e-004</b>	<b>2.1000e-004</b>	<b>2.1400e-003</b>	<b>1.0000e-005</b>	<b>6.6000e-004</b>	<b>0.0000</b>	<b>6.6000e-004</b>	<b>1.7000e-004</b>	<b>0.0000</b>	<b>1.8000e-004</b>	<b>0.0000</b>	<b>0.5459</b>	<b>0.5459</b>	<b>2.0000e-005</b>	<b>0.0000</b>	<b>0.5463</b>

**Mitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					0.0102	0.0000	0.0102	5.2500e-003	0.0000	5.2500e-003	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	9.1600e-003	0.0990	0.0634	1.2000e-004		4.6400e-003	4.6400e-003		4.2700e-003	4.2700e-003	0.0000	10.4215	10.4215	3.3700e-003	0.0000	10.5057
<b>Total</b>	<b>9.1600e-003</b>	<b>0.0990</b>	<b>0.0634</b>	<b>1.2000e-004</b>	<b>0.0102</b>	<b>4.6400e-003</b>	<b>0.0149</b>	<b>5.2500e-003</b>	<b>4.2700e-003</b>	<b>9.5200e-003</b>	<b>0.0000</b>	<b>10.4215</b>	<b>10.4215</b>	<b>3.3700e-003</b>	<b>0.0000</b>	<b>10.5057</b>

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**3.3 Grading - 2021****Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	2.8000e-004	2.1000e-004	2.1400e-003	1.0000e-005	6.6000e-004	0.0000	6.6000e-004	1.7000e-004	0.0000	1.8000e-004	0.0000	0.5459	0.5459	2.0000e-005	0.0000	0.5463
<b>Total</b>	<b>2.8000e-004</b>	<b>2.1000e-004</b>	<b>2.1400e-003</b>	<b>1.0000e-005</b>	<b>6.6000e-004</b>	<b>0.0000</b>	<b>6.6000e-004</b>	<b>1.7000e-004</b>	<b>0.0000</b>	<b>1.8000e-004</b>	<b>0.0000</b>	<b>0.5459</b>	<b>0.5459</b>	<b>2.0000e-005</b>	<b>0.0000</b>	<b>0.5463</b>

**3.4 Building Construction - 2021****Unmitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.1340	1.2290	1.1686	1.9000e-003		0.0676	0.0676		0.0635	0.0635	0.0000	163.3043	163.3043	0.0394	0.0000	164.2892
<b>Total</b>	<b>0.1340</b>	<b>1.2290</b>	<b>1.1686</b>	<b>1.9000e-003</b>		<b>0.0676</b>	<b>0.0676</b>		<b>0.0635</b>	<b>0.0635</b>	<b>0.0000</b>	<b>163.3043</b>	<b>163.3043</b>	<b>0.0394</b>	<b>0.0000</b>	<b>164.2892</b>

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**3.4 Building Construction - 2021****Unmitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	5.4200e-003	0.1989	0.0405	5.4000e-004	0.0129	3.4000e-004	0.0132	3.7200e-003	3.3000e-004	4.0500e-003	0.0000	51.9228	51.9228	3.5000e-003	0.0000	52.0103
Worker	0.0240	0.0182	0.1859	5.3000e-004	0.0572	3.7000e-004	0.0576	0.0152	3.4000e-004	0.0155	0.0000	47.4695	47.4695	1.3300e-003	0.0000	47.5027
<b>Total</b>	<b>0.0294</b>	<b>0.2171</b>	<b>0.2264</b>	<b>1.0700e-003</b>	<b>0.0701</b>	<b>7.1000e-004</b>	<b>0.0708</b>	<b>0.0189</b>	<b>6.7000e-004</b>	<b>0.0196</b>	<b>0.0000</b>	<b>99.3923</b>	<b>99.3923</b>	<b>4.8300e-003</b>	<b>0.0000</b>	<b>99.5130</b>

**Mitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.1340	1.2290	1.1686	1.9000e-003		0.0676	0.0676		0.0635	0.0635	0.0000	163.3041	163.3041	0.0394	0.0000	164.2890
<b>Total</b>	<b>0.1340</b>	<b>1.2290</b>	<b>1.1686</b>	<b>1.9000e-003</b>		<b>0.0676</b>	<b>0.0676</b>		<b>0.0635</b>	<b>0.0635</b>	<b>0.0000</b>	<b>163.3041</b>	<b>163.3041</b>	<b>0.0394</b>	<b>0.0000</b>	<b>164.2890</b>



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**3.4 Building Construction - 2021****Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	5.4200e-003	0.1989	0.0405	5.4000e-004	0.0129	3.4000e-004	0.0132	3.7200e-003	3.3000e-004	4.0500e-003	0.0000	51.9228	51.9228	3.5000e-003	0.0000	52.0103
Worker	0.0240	0.0182	0.1859	5.3000e-004	0.0572	3.7000e-004	0.0576	0.0152	3.4000e-004	0.0155	0.0000	47.4695	47.4695	1.3300e-003	0.0000	47.5027
<b>Total</b>	<b>0.0294</b>	<b>0.2171</b>	<b>0.2264</b>	<b>1.0700e-003</b>	<b>0.0701</b>	<b>7.1000e-004</b>	<b>0.0708</b>	<b>0.0189</b>	<b>6.7000e-004</b>	<b>0.0196</b>	<b>0.0000</b>	<b>99.3923</b>	<b>99.3923</b>	<b>4.8300e-003</b>	<b>0.0000</b>	<b>99.5130</b>

**3.4 Building Construction - 2022****Unmitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.0759	0.6949	0.7282	1.2000e-003		0.0360	0.0360		0.0339	0.0339	0.0000	103.1177	103.1177	0.0247	0.0000	103.7353
<b>Total</b>	<b>0.0759</b>	<b>0.6949</b>	<b>0.7282</b>	<b>1.2000e-003</b>		<b>0.0360</b>	<b>0.0360</b>		<b>0.0339</b>	<b>0.0339</b>	<b>0.0000</b>	<b>103.1177</b>	<b>103.1177</b>	<b>0.0247</b>	<b>0.0000</b>	<b>103.7353</b>

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**3.4 Building Construction - 2022****Unmitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	3.1900e-003	0.1189	0.0237	3.4000e-004	8.1400e-003	1.8000e-004	8.3200e-003	2.3500e-003	1.7000e-004	2.5200e-003	0.0000	32.5070	32.5070	2.1300e-003	0.0000	32.5603
Worker	0.0142	0.0103	0.1076	3.2000e-004	0.0361	2.3000e-004	0.0363	9.5900e-003	2.1000e-004	9.8000e-003	0.0000	28.8834	28.8834	7.5000e-004	0.0000	28.9022
<b>Total</b>	<b>0.0174</b>	<b>0.1292</b>	<b>0.1313</b>	<b>6.6000e-004</b>	<b>0.0443</b>	<b>4.1000e-004</b>	<b>0.0447</b>	<b>0.0119</b>	<b>3.8000e-004</b>	<b>0.0123</b>	<b>0.0000</b>	<b>61.3903</b>	<b>61.3903</b>	<b>2.8800e-003</b>	<b>0.0000</b>	<b>61.4625</b>

**Mitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.0759	0.6949	0.7282	1.2000e-003		0.0360	0.0360		0.0339	0.0339	0.0000	103.1176	103.1176	0.0247	0.0000	103.7352
<b>Total</b>	<b>0.0759</b>	<b>0.6949</b>	<b>0.7282</b>	<b>1.2000e-003</b>		<b>0.0360</b>	<b>0.0360</b>		<b>0.0339</b>	<b>0.0339</b>	<b>0.0000</b>	<b>103.1176</b>	<b>103.1176</b>	<b>0.0247</b>	<b>0.0000</b>	<b>103.7352</b>

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**3.4 Building Construction - 2022****Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	3.1900e-003	0.1189	0.0237	3.4000e-004	8.1400e-003	1.8000e-004	8.3200e-003	2.3500e-003	1.7000e-004	2.5200e-003	0.0000	32.5070	32.5070	2.1300e-003	0.0000	32.5603
Worker	0.0142	0.0103	0.1076	3.2000e-004	0.0361	2.3000e-004	0.0363	9.5900e-003	2.1000e-004	9.8000e-003	0.0000	28.8834	28.8834	7.5000e-004	0.0000	28.9022
<b>Total</b>	<b>0.0174</b>	<b>0.1292</b>	<b>0.1313</b>	<b>6.6000e-004</b>	<b>0.0443</b>	<b>4.1000e-004</b>	<b>0.0447</b>	<b>0.0119</b>	<b>3.8000e-004</b>	<b>0.0123</b>	<b>0.0000</b>	<b>61.3903</b>	<b>61.3903</b>	<b>2.8800e-003</b>	<b>0.0000</b>	<b>61.4625</b>

**3.5 Paving - 2022****Unmitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	8.7900e-003	0.0857	0.1098	1.7000e-004		4.3900e-003	4.3900e-003		4.0500e-003	4.0500e-003	0.0000	14.7383	14.7383	4.6300e-003	0.0000	14.8540
Paving	1.7600e-003					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>Total</b>	<b>0.0106</b>	<b>0.0857</b>	<b>0.1098</b>	<b>1.7000e-004</b>		<b>4.3900e-003</b>	<b>4.3900e-003</b>		<b>4.0500e-003</b>	<b>4.0500e-003</b>	<b>0.0000</b>	<b>14.7383</b>	<b>14.7383</b>	<b>4.6300e-003</b>	<b>0.0000</b>	<b>14.8540</b>

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**3.5 Paving - 2022****Unmitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	7.7000e-004	5.6000e-004	5.8800e-003	2.0000e-005	1.9700e-003	1.0000e-005	1.9900e-003	5.2000e-004	1.0000e-005	5.4000e-004	0.0000	1.5788	1.5788	4.0000e-005	0.0000	1.5798
<b>Total</b>	<b>7.7000e-004</b>	<b>5.6000e-004</b>	<b>5.8800e-003</b>	<b>2.0000e-005</b>	<b>1.9700e-003</b>	<b>1.0000e-005</b>	<b>1.9900e-003</b>	<b>5.2000e-004</b>	<b>1.0000e-005</b>	<b>5.4000e-004</b>	<b>0.0000</b>	<b>1.5788</b>	<b>1.5788</b>	<b>4.0000e-005</b>	<b>0.0000</b>	<b>1.5798</b>

**Mitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	8.7900e-003	0.0857	0.1098	1.7000e-004		4.3900e-003	4.3900e-003		4.0500e-003	4.0500e-003	0.0000	14.7383	14.7383	4.6300e-003	0.0000	14.8540
Paving	1.7600e-003					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>Total</b>	<b>0.0106</b>	<b>0.0857</b>	<b>0.1098</b>	<b>1.7000e-004</b>		<b>4.3900e-003</b>	<b>4.3900e-003</b>		<b>4.0500e-003</b>	<b>4.0500e-003</b>	<b>0.0000</b>	<b>14.7383</b>	<b>14.7383</b>	<b>4.6300e-003</b>	<b>0.0000</b>	<b>14.8540</b>

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**3.5 Paving - 2022****Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	7.7000e-004	5.6000e-004	5.8800e-003	2.0000e-005	1.9700e-003	1.0000e-005	1.9900e-003	5.2000e-004	1.0000e-005	5.4000e-004	0.0000	1.5788	1.5788	4.0000e-005	0.0000	1.5798
<b>Total</b>	<b>7.7000e-004</b>	<b>5.6000e-004</b>	<b>5.8800e-003</b>	<b>2.0000e-005</b>	<b>1.9700e-003</b>	<b>1.0000e-005</b>	<b>1.9900e-003</b>	<b>5.2000e-004</b>	<b>1.0000e-005</b>	<b>5.4000e-004</b>	<b>0.0000</b>	<b>1.5788</b>	<b>1.5788</b>	<b>4.0000e-005</b>	<b>0.0000</b>	<b>1.5798</b>

**3.6 Architectural Coating - 2022****Unmitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Archit. Coating	0.2794					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	1.8400e-003	0.0127	0.0163	3.0000e-005		7.4000e-004	7.4000e-004		7.4000e-004	7.4000e-004	0.0000	2.2979	2.2979	1.5000e-004	0.0000	2.3017
<b>Total</b>	<b>0.2813</b>	<b>0.0127</b>	<b>0.0163</b>	<b>3.0000e-005</b>		<b>7.4000e-004</b>	<b>7.4000e-004</b>		<b>7.4000e-004</b>	<b>7.4000e-004</b>	<b>0.0000</b>	<b>2.2979</b>	<b>2.2979</b>	<b>1.5000e-004</b>	<b>0.0000</b>	<b>2.3017</b>

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**3.6 Architectural Coating - 2022****Unmitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	5.8000e-004	4.2000e-004	4.4100e-003	1.0000e-005	1.4800e-003	1.0000e-005	1.4900e-003	3.9000e-004	1.0000e-005	4.0000e-004	0.0000	1.1841	1.1841	3.0000e-005	0.0000	1.1849
<b>Total</b>	<b>5.8000e-004</b>	<b>4.2000e-004</b>	<b>4.4100e-003</b>	<b>1.0000e-005</b>	<b>1.4800e-003</b>	<b>1.0000e-005</b>	<b>1.4900e-003</b>	<b>3.9000e-004</b>	<b>1.0000e-005</b>	<b>4.0000e-004</b>	<b>0.0000</b>	<b>1.1841</b>	<b>1.1841</b>	<b>3.0000e-005</b>	<b>0.0000</b>	<b>1.1849</b>

**Mitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Archit. Coating	0.2794					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	1.8400e-003	0.0127	0.0163	3.0000e-005		7.4000e-004	7.4000e-004		7.4000e-004	7.4000e-004	0.0000	2.2979	2.2979	1.5000e-004	0.0000	2.3017
<b>Total</b>	<b>0.2813</b>	<b>0.0127</b>	<b>0.0163</b>	<b>3.0000e-005</b>		<b>7.4000e-004</b>	<b>7.4000e-004</b>		<b>7.4000e-004</b>	<b>7.4000e-004</b>	<b>0.0000</b>	<b>2.2979</b>	<b>2.2979</b>	<b>1.5000e-004</b>	<b>0.0000</b>	<b>2.3017</b>

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**3.6 Architectural Coating - 2022****Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	5.8000e-004	4.2000e-004	4.4100e-003	1.0000e-005	1.4800e-003	1.0000e-005	1.4900e-003	3.9000e-004	1.0000e-005	4.0000e-004	0.0000	1.1841	1.1841	3.0000e-005	0.0000	1.1849
<b>Total</b>	<b>5.8000e-004</b>	<b>4.2000e-004</b>	<b>4.4100e-003</b>	<b>1.0000e-005</b>	<b>1.4800e-003</b>	<b>1.0000e-005</b>	<b>1.4900e-003</b>	<b>3.9000e-004</b>	<b>1.0000e-005</b>	<b>4.0000e-004</b>	<b>0.0000</b>	<b>1.1841</b>	<b>1.1841</b>	<b>3.0000e-005</b>	<b>0.0000</b>	<b>1.1849</b>

**4.0 Operational Detail - Mobile****4.1 Mitigation Measures Mobile**

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	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Mitigated	0.0909	1.8916	1.0144	0.0100	0.4832	8.9600e-003	0.4922	0.1341	8.5300e-003	0.1426	0.0000	949.2783	949.2783	0.0259	0.0000	949.9265
Unmitigated	0.0909	1.8916	1.0144	0.0100	0.4832	8.9600e-003	0.4922	0.1341	8.5300e-003	0.1426	0.0000	949.2783	949.2783	0.0259	0.0000	949.9265

## 4.2 Trip Summary Information

Land Use	Average Daily Trip Rate			Unmitigated	Mitigated
	Weekday	Saturday	Sunday	Annual VMT	Annual VMT
Other Non-Asphalt Surfaces	0.00	0.00	0.00		
Parking Lot	0.00	0.00	0.00		
Unrefrigerated Warehouse-No Rail	117.39	117.39	117.39	503,100	503,100
User Defined Industrial	46.00	46.00	46.00	669,760	669,760
Total	163.39	163.39	163.39	1,172,860	1,172,860

## 4.3 Trip Type Information

Land Use	Miles			Trip %			Trip Purpose %		
	H-W or C-W	H-S or C-C	H-O or C-NW	H-W or C-W	H-S or C-C	H-O or C-NW	Primary	Diverted	Pass-by
Other Non-Asphalt Surfaces	16.60	8.40	6.90	0.00	0.00	0.00	0	0	0
Parking Lot	16.60	8.40	6.90	0.00	0.00	0.00	0	0	0
Unrefrigerated Warehouse-No	16.60	8.40	6.90	59.00	0.00	41.00	92	5	3
User Defined Industrial	16.60	40.00	6.90	0.00	100.00	0.00	100	0	0

## 4.4 Fleet Mix



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Land Use	LDA	LDT1	LDT2	MDV	LHD1	LHD2	MHD	HHD	OBUS	UBUS	MCY	SBUS	MH
Other Non-Asphalt Surfaces	0.553113	0.036408	0.180286	0.116335	0.016165	0.005101	0.018218	0.063797	0.001357	0.001565	0.005903	0.000808	0.000944
Parking Lot	0.553113	0.036408	0.180286	0.116335	0.016165	0.005101	0.018218	0.063797	0.001357	0.001565	0.005903	0.000808	0.000944
Unrefrigerated Warehouse-No Rail	0.624181	0.041086	0.203450	0.131283	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
User Defined Industrial	0.000000	0.000000	0.000000	0.000000	0.216372	0.085174	0.276734	0.421720	0.000000	0.000000	0.000000	0.000000	0.000000

## 5.0 Energy Detail

Historical Energy Use: N

### 5.1 Mitigation Measures Energy

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Electricity Mitigated						0.0000	0.0000		0.0000	0.0000	0.0000	76.0113	76.0113	3.1400e-003	6.5000e-004	76.2832
Electricity Unmitigated						0.0000	0.0000		0.0000	0.0000	0.0000	76.0113	76.0113	3.1400e-003	6.5000e-004	76.2832
NaturalGas Mitigated	1.0100e-003	9.2000e-003	7.7300e-003	6.0000e-005		7.0000e-004	7.0000e-004		7.0000e-004	7.0000e-004	0.0000	10.0131	10.0131	1.9000e-004	1.8000e-004	10.0726
NaturalGas Unmitigated	1.0100e-003	9.2000e-003	7.7300e-003	6.0000e-005		7.0000e-004	7.0000e-004		7.0000e-004	7.0000e-004	0.0000	10.0131	10.0131	1.9000e-004	1.8000e-004	10.0726

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**5.2 Energy by Land Use - NaturalGas****Unmitigated**

	NaturalGas s Use	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Land Use	kBTU/yr	tons/yr										MT/yr					
Other Non-Asphalt Surfaces	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Parking Lot	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Unrefrigerated Warehouse-No Rail	187639	1.0100e-003	9.2000e-003	7.7300e-003	6.0000e-005		7.0000e-004	7.0000e-004		7.0000e-004	7.0000e-004	0.0000	10.0131	10.0131	1.9000e-004	1.8000e-004	10.0726
User Defined Industrial	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>Total</b>		<b>1.0100e-003</b>	<b>9.2000e-003</b>	<b>7.7300e-003</b>	<b>6.0000e-005</b>		<b>7.0000e-004</b>	<b>7.0000e-004</b>		<b>7.0000e-004</b>	<b>7.0000e-004</b>	<b>0.0000</b>	<b>10.0131</b>	<b>10.0131</b>	<b>1.9000e-004</b>	<b>1.8000e-004</b>	<b>10.0726</b>

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**5.2 Energy by Land Use - NaturalGas****Mitigated**

	NaturalGas Use	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Land Use	kBTU/yr	tons/yr										MT/yr					
Other Non-Asphalt Surfaces	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Parking Lot	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Unrefrigerated Warehouse-No Rail	187639	1.0100e-003	9.2000e-003	7.7300e-003	6.0000e-005		7.0000e-004	7.0000e-004		7.0000e-004	7.0000e-004	0.0000	10.0131	10.0131	1.9000e-004	1.8000e-004	10.0726
User Defined Industrial	0	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>Total</b>		<b>1.0100e-003</b>	<b>9.2000e-003</b>	<b>7.7300e-003</b>	<b>6.0000e-005</b>		<b>7.0000e-004</b>	<b>7.0000e-004</b>		<b>7.0000e-004</b>	<b>7.0000e-004</b>	<b>0.0000</b>	<b>10.0131</b>	<b>10.0131</b>	<b>1.9000e-004</b>	<b>1.8000e-004</b>	<b>10.0726</b>

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**5.3 Energy by Land Use - Electricity****Unmitigated**

	Electricity Use	Total CO2	CH4	N2O	CO2e
Land Use	kWh/yr	MT/yr			
Other Non-Asphalt Surfaces	0	0.0000	0.0000	0.0000	0.0000
Parking Lot	20421.1	6.5066	2.7000e-004	6.0000e-005	6.5299
Unrefrigerated Warehouse-No Rail	218142	69.5047	2.8700e-003	5.9000e-004	69.7533
User Defined Industrial	0	0.0000	0.0000	0.0000	0.0000
<b>Total</b>		<b>76.0113</b>	<b>3.1400e-003</b>	<b>6.5000e-004</b>	<b>76.2832</b>

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### 5.3 Energy by Land Use - Electricity

#### Mitigated

	Electricity Use	Total CO2	CH4	N2O	CO2e
Land Use	kWh/yr	MT/yr			
Other Non-Asphalt Surfaces	0	0.0000	0.0000	0.0000	0.0000
Parking Lot	20421.1	6.5066	2.7000e-004	6.0000e-005	6.5299
Unrefrigerated Warehouse-No Rail	218142	69.5047	2.8700e-003	5.9000e-004	69.7533
User Defined Industrial	0	0.0000	0.0000	0.0000	0.0000
<b>Total</b>		<b>76.0113</b>	<b>3.1400e-003</b>	<b>6.5000e-004</b>	<b>76.2832</b>

### 6.0 Area Detail

#### 6.1 Mitigation Measures Area

## JN:13850 9th St. Partner - San Bernardino-South Coast County, Annual

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Mitigated	0.3836	2.0000e-005	2.2700e-003	0.0000		1.0000e-005	1.0000e-005		1.0000e-005	1.0000e-005	0.0000	4.4000e-003	4.4000e-003	1.0000e-005	0.0000	4.6900e-003
Unmitigated	0.3836	2.0000e-005	2.2700e-003	0.0000		1.0000e-005	1.0000e-005		1.0000e-005	1.0000e-005	0.0000	4.4000e-003	4.4000e-003	1.0000e-005	0.0000	4.6900e-003

## 6.2 Area by SubCategory

Unmitigated

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
SubCategory	tons/yr										MT/yr					
Architectural Coating	0.0440					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Consumer Products	0.3394					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Landscaping	2.1000e-004	2.0000e-005	2.2700e-003	0.0000		1.0000e-005	1.0000e-005		1.0000e-005	1.0000e-005	0.0000	4.4000e-003	4.4000e-003	1.0000e-005	0.0000	4.6900e-003
<b>Total</b>	<b>0.3836</b>	<b>2.0000e-005</b>	<b>2.2700e-003</b>	<b>0.0000</b>		<b>1.0000e-005</b>	<b>1.0000e-005</b>		<b>1.0000e-005</b>	<b>1.0000e-005</b>	<b>0.0000</b>	<b>4.4000e-003</b>	<b>4.4000e-003</b>	<b>1.0000e-005</b>	<b>0.0000</b>	<b>4.6900e-003</b>

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**6.2 Area by SubCategory****Mitigated**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
SubCategory	tons/yr										MT/yr					
Architectural Coating	0.0440					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Consumer Products	0.3394					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Landscaping	2.1000e-004	2.0000e-005	2.2700e-003	0.0000		1.0000e-005	1.0000e-005		1.0000e-005	1.0000e-005	0.0000	4.4000e-003	4.4000e-003	1.0000e-005	0.0000	4.6900e-003
<b>Total</b>	<b>0.3836</b>	<b>2.0000e-005</b>	<b>2.2700e-003</b>	<b>0.0000</b>		<b>1.0000e-005</b>	<b>1.0000e-005</b>		<b>1.0000e-005</b>	<b>1.0000e-005</b>	<b>0.0000</b>	<b>4.4000e-003</b>	<b>4.4000e-003</b>	<b>1.0000e-005</b>	<b>0.0000</b>	<b>4.6900e-003</b>

**7.0 Water Detail****7.1 Mitigation Measures Water**

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	Total CO2	CH4	N2O	CO2e
Category	MT/yr			
Mitigated	95.4587	0.7002	0.0172	118.0889
Unmitigated	95.4587	0.7002	0.0172	118.0889

## 7.2 Water by Land Use

### Unmitigated

	Indoor/Outdoor Use	Total CO2	CH4	N2O	CO2e
Land Use	Mgal	MT/yr			
Other Non-Asphalt Surfaces	0 / 0	0.0000	0.0000	0.0000	0.0000
Parking Lot	0 / 0	0.0000	0.0000	0.0000	0.0000
Unrefrigerated Warehouse-No Rail	21.3744 / 0	95.4587	0.7002	0.0172	118.0889
User Defined Industrial	0 / 0	0.0000	0.0000	0.0000	0.0000
<b>Total</b>		<b>95.4587</b>	<b>0.7002</b>	<b>0.0172</b>	<b>118.0889</b>



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**7.2 Water by Land Use****Mitigated**

	Indoor/Outdoor Use	Total CO2	CH4	N2O	CO2e
Land Use	Mgal	MT/yr			
Other Non-Asphalt Surfaces	0 / 0	0.0000	0.0000	0.0000	0.0000
Parking Lot	0 / 0	0.0000	0.0000	0.0000	0.0000
Unrefrigerated Warehouse-No Rail	21.3744 / 0	95.4587	0.7002	0.0172	118.0889
User Defined Industrial	0 / 0	0.0000	0.0000	0.0000	0.0000
<b>Total</b>		<b>95.4587</b>	<b>0.7002</b>	<b>0.0172</b>	<b>118.0889</b>

**8.0 Waste Detail****8.1 Mitigation Measures Waste**

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**Category/Year**

	Total CO2	CH4	N2O	CO2e
	MT/yr			
Mitigated	17.6359	1.0423	0.0000	43.6921
Unmitigated	17.6359	1.0423	0.0000	43.6921

**8.2 Waste by Land Use****Unmitigated**

	Waste Disposed	Total CO2	CH4	N2O	CO2e
Land Use	tons	MT/yr			
Other Non-Asphalt Surfaces	0	0.0000	0.0000	0.0000	0.0000
Parking Lot	0	0.0000	0.0000	0.0000	0.0000
Unrefrigerated Warehouse-No Rail	86.88	17.6359	1.0423	0.0000	43.6921
User Defined Industrial	0	0.0000	0.0000	0.0000	0.0000
<b>Total</b>		<b>17.6359</b>	<b>1.0423</b>	<b>0.0000</b>	<b>43.6921</b>

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**8.2 Waste by Land Use****Mitigated**

	Waste Disposed	Total CO2	CH4	N2O	CO2e
Land Use	tons	MT/yr			
Other Non-Asphalt Surfaces	0	0.0000	0.0000	0.0000	0.0000
Parking Lot	0	0.0000	0.0000	0.0000	0.0000
Unrefrigerated Warehouse-No Rail	86.88	17.6359	1.0423	0.0000	43.6921
User Defined Industrial	0	0.0000	0.0000	0.0000	0.0000
<b>Total</b>		<b>17.6359</b>	<b>1.0423</b>	<b>0.0000</b>	<b>43.6921</b>

**9.0 Operational Offroad**

Equipment Type	Number	Hours/Day	Days/Year	Horse Power	Load Factor	Fuel Type
----------------	--------	-----------	-----------	-------------	-------------	-----------

**10.0 Stationary Equipment****Fire Pumps and Emergency Generators**

Equipment Type	Number	Hours/Day	Hours/Year	Horse Power	Load Factor	Fuel Type
----------------	--------	-----------	------------	-------------	-------------	-----------

**Boilers**

Equipment Type	Number	Heat Input/Day	Heat Input/Year	Boiler Rating	Fuel Type
----------------	--------	----------------	-----------------	---------------	-----------

**User Defined Equipment**

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Equipment Type	Number
----------------	--------

## 11.0 Vegetation

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## **APPENDIX 2.2:**

### **AERMOD MODEL INPUT/OUTPUT**

```

** Lakes Environmental AERMOD MPI
**
*****
**
** AERMOD INPUT PRODUCED BY:
** AERMOD VIEW VER. 10.0.1
** LAKES ENVIRONMENTAL SOFTWARE INC.
** DATE: 9/7/2021
** FILE: C:\LAKES\AERMOD VIEW\13850 CONS\13850 CONS.ADI
**
*****
**
**
*****
** AERMOD CONTROL PATHWAY
*****
**
**
CO STARTING
  TITLEONE C:\LAKES\AERMOD VIEW\13550 HRA\13550 HRA.ISC
  MODELOPT DFAULT CONC
  AVERTIME ANNUAL
  URBANOPT 2035210
  POLLUTID DPM
  RUNORNOT RUN
  ERRORFIL "13850 CONS.ERR"
CO FINISHED
**
*****
** AERMOD SOURCE PATHWAY
*****
**
**
SO STARTING
** SOURCE LOCATION **
** SOURCE ID - TYPE - X COORD. - Y COORD. **
  LOCATION VOL1      VOLUME      457671.437   3770199.439      334.860
  LOCATION VOL2      VOLUME      457671.111   3770106.770      333.800
** SOURCE PARAMETERS **
  SRCPARAM VOL1      0.0067571403      5.000      21.474      1.400
  SRCPARAM VOL2      0.0067571403      5.000      21.474      1.400
  URBANSRC ALL

** VARIABLE EMISSIONS TYPE: "BY HOUR / SEVEN DAYS (HRDOW7)"
** VARIABLE EMISSION SCENARIO: "CONSTRUCTION"
  EMISFACT VOL1      HRDOW7 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0
  EMISFACT VOL1      HRDOW7 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0
  EMISFACT VOL1      HRDOW7 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0
  EMISFACT VOL1      HRDOW7 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0
  EMISFACT VOL1      HRDOW7 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0

```

SRCGROUP ALL

\*\*

\*\* AERMOD RECEPTOR PATHWAY

\*\*

**\*\***

INCLUDED "13850 CONS.ROU"

\*\*

\*\*\*\*\*

\*\* AERMOD METEOROLOGY PATHWAY

\*\*\*\*\*

\*\*

\*\*

ME STARTING

SURFFILE FONTANAADJU\FONT\_V9\_ADJU\FONT\_V9.SFC

PROFFILE FONTANAADJU\FONT\_V9\_ADJU\FONT\_V9.PFL

SURFDATA 3102 2011

UAIRDATA 3190 2011

SITEDATA 99999 2011

PROFBASE 367.0 METERS

ME FINISHED

\*\*

\*\*\*\*\*

\*\* AERMOD OUTPUT PATHWAY

\*\*\*\*\*

\*\*

\*\*

OU STARTING

\*\* AUTO-GENERATED PLOTFILES

PLOTFILE ANNUAL ALL "13850 CONS.AD\AN00GALL.PLT" 31

SUMMFILE "13850 CONS.SUM"

OU FINISHED

\*\*\* Message Summary For AERMOD Model Setup \*\*\*

----- Summary of Total Messages -----

A Total of	0 Fatal Error Message(s)
A Total of	2 Warning Message(s)
A Total of	0 Informational Message(s)

\*\*\*\*\* FATAL ERROR MESSAGES \*\*\*\*\*

\*\*\* NONE \*\*\*

\*\*\*\*\* WARNING MESSAGES \*\*\*\*\*

ME W186 111 MEOPEN: THRESH\_1MIN 1-min ASOS wind speed threshold used  
0.50

ME W187 111 MEOPEN: ADJ\_U\* Option for Stable Low Winds used in AERMET

\*\*\*\*\*

\*\*\* SETUP Finishes Successfully \*\*\*

\*\*\*\*\*

▲ \*\*\* AERMOD - VERSION 19191 \*\*\* \*\*\* C:\LAKES\AERMOD VIEW\13550 HRA\13550  
HRA.ISC \*\*\* 09/07/21



\*\*\* AERMET - VERSION 16216 \*\*\*  
\*\*\* 16:51:30

PAGE 1  
\*\*\* MODELOPTs: RegDEFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* MODEL SETUP OPTIONS SUMMARY

\*\*\*

---  
\*\*Model Is Setup For Calculation of Average CONCentration Values.

-- DEPOSITION LOGIC --

\*\*NO GAS DEPOSITION Data Provided.

\*\*NO PARTICLE DEPOSITION Data Provided.

\*\*Model Uses NO DRY DEPLETION. DRYDPLT = F

\*\*Model Uses NO WET DEPLETION. WETDPLT = F

\*\*Model Uses URBAN Dispersion Algorithm for the SBL for 2 Source(s),  
for Total of 1 Urban Area(s):  
Urban Population = 2035210.0 ; Urban Roughness Length = 1.000 m

\*\*Model Uses Regulatory DEFAULT Options:

1. Stack-tip Downwash.
2. Model Accounts for ELEVated Terrain Effects.
3. Use Calms Processing Routine.
4. Use Missing Data Processing Routine.
5. No Exponential Decay.
6. Urban Roughness Length of 1.0 Meter Assumed.

\*\*Other Options Specified:

ADJ\_U\* - Use ADJ\_U\* option for SBL in AERMET

TEMP\_Sub - Meteorological data includes TEMP substitutions

\*\*Model Assumes No FLAGPOLE Receptor Heights.

\*\*The User Specified a Pollutant Type of: DPM

\*\*Model Calculates ANNUAL Averages Only

\*\*This Run Includes: 2 Source(s); 1 Source Group(s); and 26  
Receptor(s)

with: 0 POINT(s), including  
0 POINTCAP(s) and 0 POINTHOR(s)  
and: 2 VOLUME source(s)  
and: 0 AREA type source(s)  
and: 0 LINE source(s)  
and: 0 RLINE/RLINEXT source(s)

and: 0 OPENPIT source(s)  
and: 0 BUOYANT LINE source(s) with 0 line(s)

\*\*Model Set To Continue RUNning After the Setup Testing.

\*\*The AERMET Input Meteorological Data Version Date: 16216

\*\*Output Options Selected:

Model Outputs Tables of ANNUAL Averages by Receptor

Model Outputs External File(s) of High Values for Plotting (PLOTFILE  
Keyword)

Model Outputs Separate Summary File of High Ranked Values (SUMMFILE  
Keyword)

\*\*NOTE: The Following Flags May Appear Following CONC Values: c for Calm Hours  
m for Missing  
Hours  
b for Both Calm  
and Missing Hours

\*\*Misc. Inputs: Base Elev. for Pot. Temp. Profile (m MSL) = 367.00 ; Decay  
Coef. = 0.000 ; Rot. Angle = 0.0  
Emission Units = GRAMS/SEC ;  
Emission Rate Unit Factor = 0.10000E+07  
Output Units = MICROGRAMS/M\*\*3

\*\*Approximate Storage Requirements of Model = 3.5 MB of RAM.

\*\*Input Runstream File: aermod.inp

\*\*Output Print File: aermod.out

\*\*Detailed Error/Message File: 13850 CONS.ERR

\*\*File for Summary of Results: 13850 CONS.SUM

▲ \*\*\* AERMOD - VERSION 19191 \*\*\* \*\*\* C:\LAKES\AERMOD VIEW\13550 HRA\13550  
HRA.ISC \*\*\* 09/07/21

\*\*\* AERMET - VERSION 16216 \*\*\* \*\*\*  
\*\*\* 16:51:30

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\*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* VOLUME SOURCE DATA \*\*\*

NUMBER EMISSION RATE BASE RELEASE INIT.

INIT.	URBAN	EMISSION RATE						
SOURCE	PART.	(GRAMS/SEC)	X	Y	ELEV.	HEIGHT	SY	
SZ	SOURCE	SCALAR VARY						
ID	CATS.		(METERS)	(METERS)	(METERS)	(METERS)	(METERS)	
(METERS)	BY							

VOL1	0	0.67571E-02	457671.4	3770199.4	334.9	5.00	21.47
1.40	YES	HRDOW7					
VOL2	0	0.67571E-02	457671.1	3770106.8	333.8	5.00	21.47
1.40	YES	HRDOW7					

\*\*\* AERMOD - VERSION 19191 \*\*\* C:\LAKES\AERMOD VIEW\13550 HRA\13550  
 HRA.ISC 09/07/21  
 \*\*\* AERMET - VERSION 16216 \*\*\*  
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\*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* SOURCE IDs DEFINING SOURCE GROUPS

\*\*\*

SRCGROUP ID

SOURCE IDs

ALL VOL1 , VOL2 ,  
 \*\*\* AERMOD - VERSION 19191 \*\*\* C:\LAKES\AERMOD VIEW\13550 HRA\13550  
 HRA.ISC 09/07/21  
 \*\*\* AERMET - VERSION 16216 \*\*\*  
 \*\*\* 16:51:30

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\*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* SOURCE IDs DEFINED AS URBAN SOURCES

\*\*\*

URBAN ID URBAN POP

SOURCE IDs

2035210. VOL1 , VOL2 ,  
 \*\*\* AERMOD - VERSION 19191 \*\*\* C:\LAKES\AERMOD VIEW\13550 HRA\13550  
 HRA.ISC 09/07/21  
 \*\*\* AERMET - VERSION 16216 \*\*\*  
 \*\*\* 16:51:30

\*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\* SOURCE EMISSION RATE SCALARS WHICH VARY DIURNALLY AND BY DAY  
OF WEEK (HRDOW7) \*

SOURCE ID = VOL1 ; SOURCE TYPE = VOLUME :  
 HOUR SCALAR HOUR SCALAR HOUR SCALAR HOUR SCALAR HOUR SCALAR  
 HOUR SCALAR HOUR SCALAR HOUR SCALAR

- - - - -  
 - - - - -

## DAY OF WEEK = MONDAY

1	.0000E+00	2	.0000E+00	3	.0000E+00	4	.0000E+00	5	.0000E+00
6	.0000E+00	7	.0000E+00	8	.0000E+00				
9	.1000E+01	10	.1000E+01	11	.1000E+01	12	.1000E+01	13	.1000E+01
14	.1000E+01	15	.1000E+01	16	.1000E+01				
17	.0000E+00	18	.0000E+00	19	.0000E+00	20	.0000E+00	21	.0000E+00
22	.0000E+00	23	.0000E+00	24	.0000E+00				

## DAY OF WEEK = TUESDAY

1	.0000E+00	2	.0000E+00	3	.0000E+00	4	.0000E+00	5	.0000E+00
6	.0000E+00	7	.0000E+00	8	.0000E+00				
9	.1000E+01	10	.1000E+01	11	.1000E+01	12	.1000E+01	13	.1000E+01
14	.1000E+01	15	.1000E+01	16	.1000E+01				
17	.0000E+00	18	.0000E+00	19	.0000E+00	20	.0000E+00	21	.0000E+00
22	.0000E+00	23	.0000E+00	24	.0000E+00				

## DAY OF WEEK = WEDNESDY

1	.0000E+00	2	.0000E+00	3	.0000E+00	4	.0000E+00	5	.0000E+00
6	.0000E+00	7	.0000E+00	8	.0000E+00				
9	.1000E+01	10	.1000E+01	11	.1000E+01	12	.1000E+01	13	.1000E+01
14	.1000E+01	15	.1000E+01	16	.1000E+01				
17	.0000E+00	18	.0000E+00	19	.0000E+00	20	.0000E+00	21	.0000E+00
22	.0000E+00	23	.0000E+00	24	.0000E+00				

## DAY OF WEEK = THURSDAY

1	.0000E+00	2	.0000E+00	3	.0000E+00	4	.0000E+00	5	.0000E+00
6	.0000E+00	7	.0000E+00	8	.0000E+00				
9	.1000E+01	10	.1000E+01	11	.1000E+01	12	.1000E+01	13	.1000E+01
14	.1000E+01	15	.1000E+01	16	.1000E+01				
17	.0000E+00	18	.0000E+00	19	.0000E+00	20	.0000E+00	21	.0000E+00
22	.0000E+00	23	.0000E+00	24	.0000E+00				

## DAY OF WEEK = FRIDAY

1	.0000E+00	2	.0000E+00	3	.0000E+00	4	.0000E+00	5	.0000E+00
6	.0000E+00	7	.0000E+00	8	.0000E+00				
9	.1000E+01	10	.1000E+01	11	.1000E+01	12	.1000E+01	13	.1000E+01
14	.1000E+01	15	.1000E+01	16	.1000E+01				
17	.0000E+00	18	.0000E+00	19	.0000E+00	20	.0000E+00	21	.0000E+00
22	.0000E+00	23	.0000E+00	24	.0000E+00				

## DAY OF WEEK = SATURDAY

1	.0000E+00	2	.0000E+00	3	.0000E+00	4	.0000E+00	5	.0000E+00
6	.0000E+00	7	.0000E+00	8	.0000E+00				

9	.0000E+00	10	.0000E+00	11	.0000E+00	12	.0000E+00	13	.0000E+00
14	.0000E+00	15	.0000E+00	16	.0000E+00				
17	.0000E+00	18	.0000E+00	19	.0000E+00	20	.0000E+00	21	.0000E+00
22	.0000E+00	23	.0000E+00	24	.0000E+00				

DAY OF WEEK = SUNDAY

1	.0000E+00	2	.0000E+00	3	.0000E+00	4	.0000E+00	5	.0000E+00
6	.0000E+00	7	.0000E+00	8	.0000E+00				
9	.0000E+00	10	.0000E+00	11	.0000E+00	12	.0000E+00	13	.0000E+00
14	.0000E+00	15	.0000E+00	16	.0000E+00				
17	.0000E+00	18	.0000E+00	19	.0000E+00	20	.0000E+00	21	.0000E+00
22	.0000E+00	23	.0000E+00	24	.0000E+00				

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HRA.ISC \*\*\* 09/07/21

\*\*\* AERMET - VERSION 16216 \*\*\* \*\*\*  
\*\*\*

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\*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\* SOURCE EMISSION RATE SCALARS WHICH VARY DIURNALLY AND BY DAY  
OF WEEK (HRDOW7) \*

SOURCE ID = VOL2 ; SOURCE TYPE = VOLUME :  
 HOUR SCALAR HOUR SCALAR HOUR SCALAR HOUR SCALAR HOUR SCALAR  
 HOUR SCALAR HOUR SCALAR HOUR SCALAR

- - - - -  
- - - - -

DAY OF WEEK = MONDAY

1	.0000E+00	2	.0000E+00	3	.0000E+00	4	.0000E+00	5	.0000E+00
6	.0000E+00	7	.0000E+00	8	.0000E+00				
9	.1000E+01	10	.1000E+01	11	.1000E+01	12	.1000E+01	13	.1000E+01
14	.1000E+01	15	.1000E+01	16	.1000E+01				
17	.0000E+00	18	.0000E+00	19	.0000E+00	20	.0000E+00	21	.0000E+00
22	.0000E+00	23	.0000E+00	24	.0000E+00				

DAY OF WEEK = TUESDAY

1	.0000E+00	2	.0000E+00	3	.0000E+00	4	.0000E+00	5	.0000E+00
6	.0000E+00	7	.0000E+00	8	.0000E+00				
9	.1000E+01	10	.1000E+01	11	.1000E+01	12	.1000E+01	13	.1000E+01
14	.1000E+01	15	.1000E+01	16	.1000E+01				
17	.0000E+00	18	.0000E+00	19	.0000E+00	20	.0000E+00	21	.0000E+00
22	.0000E+00	23	.0000E+00	24	.0000E+00				

DAY OF WEEK = WEDNESDY

1	.0000E+00	2	.0000E+00	3	.0000E+00	4	.0000E+00	5	.0000E+00
6	.0000E+00	7	.0000E+00	8	.0000E+00				
9	.1000E+01	10	.1000E+01	11	.1000E+01	12	.1000E+01	13	.1000E+01
14	.1000E+01	15	.1000E+01	16	.1000E+01				
17	.0000E+00	18	.0000E+00	19	.0000E+00	20	.0000E+00	21	.0000E+00
22	.0000E+00	23	.0000E+00	24	.0000E+00				

DAY OF WEEK = THURSDAY

1	.0000E+00	2	.0000E+00	3	.0000E+00	4	.0000E+00	5	.0000E+00
---	-----------	---	-----------	---	-----------	---	-----------	---	-----------

```

6  .0000E+00    7  .0000E+00    8  .0000E+00
   9  .1000E+01   10 .1000E+01   11 .1000E+01   12 .1000E+01   13 .1000E+01
14  .1000E+01   15 .1000E+01   16 .1000E+01
   17 .0000E+00   18 .0000E+00   19 .0000E+00   20 .0000E+00   21 .0000E+00
22  .0000E+00   23 .0000E+00   24 .0000E+00

```

DAY OF WEEK = FRIDAY

```

   1  .0000E+00    2  .0000E+00    3  .0000E+00    4  .0000E+00    5  .0000E+00
6  .0000E+00    7  .0000E+00    8  .0000E+00
   9  .1000E+01   10 .1000E+01   11 .1000E+01   12 .1000E+01   13 .1000E+01
14  .1000E+01   15 .1000E+01   16 .1000E+01
   17 .0000E+00   18 .0000E+00   19 .0000E+00   20 .0000E+00   21 .0000E+00
22  .0000E+00   23 .0000E+00   24 .0000E+00

```

DAY OF WEEK = SATURDAY

```

   1  .0000E+00    2  .0000E+00    3  .0000E+00    4  .0000E+00    5  .0000E+00
6  .0000E+00    7  .0000E+00    8  .0000E+00
   9  .0000E+00   10 .0000E+00   11 .0000E+00   12 .0000E+00   13 .0000E+00
14  .0000E+00   15 .0000E+00   16 .0000E+00
   17 .0000E+00   18 .0000E+00   19 .0000E+00   20 .0000E+00   21 .0000E+00
22  .0000E+00   23 .0000E+00   24 .0000E+00

```

DAY OF WEEK = SUNDAY

```

   1  .0000E+00    2  .0000E+00    3  .0000E+00    4  .0000E+00    5  .0000E+00
6  .0000E+00    7  .0000E+00    8  .0000E+00
   9  .0000E+00   10 .0000E+00   11 .0000E+00   12 .0000E+00   13 .0000E+00
14  .0000E+00   15 .0000E+00   16 .0000E+00
   17 .0000E+00   18 .0000E+00   19 .0000E+00   20 .0000E+00   21 .0000E+00
22  .0000E+00   23 .0000E+00   24 .0000E+00

```

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▲ *** AERMOD - VERSION 19191 *** *** C:\LAKES\AERMOD VIEW\13550 HRA\13550
HRA.ISC *** 09/07/21
*** AERMET - VERSION 16216 *** ***
*** 16:51:30

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\*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* DISCRETE CARTESIAN RECEPTORS \*\*\*  
(X-COORD, Y-COORD, ZELEV, ZHILL, ZFLAG)  
(METERS)

```

( 457621.4, 3770252.1, 334.9, 334.9, 0.0); ( 457689.0,
3770249.4, 335.4, 335.4, 0.0);
( 457745.6, 3770252.9, 336.0, 336.0, 0.0); ( 457745.4,
3770222.3, 335.9, 335.9, 0.0);
( 457750.0, 3770137.3, 335.0, 335.0, 0.0); ( 457519.2,
3770256.5, 334.0, 334.0, 0.0);
( 457414.4, 3770278.1, 334.0, 334.0, 0.0); ( 457617.4,
3770107.4, 333.0, 333.0, 0.0);
( 457615.2, 3770174.2, 334.0, 334.0, 0.0); ( 457596.8,
3770198.0, 334.0, 334.0, 0.0);
( 457663.1, 3770249.1, 335.1, 335.1, 0.0); ( 457757.0,
3770115.1, 335.0, 335.0, 0.0);

```



10.80, 1.54, 3.09, 5.14, 8.23,

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HRA.ISC \*\*\* 09/07/21

\*\*\* AERMET - VERSION 16216 \*\*\*  
\*\*\* 16:51:30

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\*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* UP TO THE FIRST 24 HOURS OF METEOROLOGICAL

DATA \*\*\*

Surface file: FONTANAADJU\FONT\_V9\_ADJU\FONT\_V9.SFC

Met Version: 16216

Profile file: FONTANAADJU\FONT\_V9\_ADJU\FONT\_V9.PFL

Surface format: FREE

Profile format: FREE

Surface station no.: 3102

Name: UNKNOWN

Upper air station no.: 3190

Name: UNKNOWN

Year: 2011

Year: 2011

First 24 hours of scalar data

YR	MO	DY	JDY	HR	H0	U*	W*	DT/DZ	ZICNV	ZIMCH	M-O	LEN	Z0	BOWEN
ALBEDO	REF	WS	WD	HT	REF	TA	HT							
11	01	01	1	01	-18.5	0.194	-9.000	-9.000	-999.	204.	41.2	0.25	2.82	
1.00	1.80	69.			9.1	276.4	5.5							
11	01	01	1	02	-23.8	0.239	-9.000	-9.000	-999.	281.	63.0	0.25	2.82	
1.00	2.20	52.			9.1	275.4	5.5							
11	01	01	1	03	-18.5	0.194	-9.000	-9.000	-999.	205.	41.2	0.25	2.82	
1.00	1.80	32.			9.1	275.4	5.5							
11	01	01	1	04	-1.4	0.067	-9.000	-9.000	-999.	57.	18.3	0.25	2.82	
1.00	0.40	27.			9.1	274.2	5.5							
11	01	01	1	05	-18.6	0.194	-9.000	-9.000	-999.	204.	41.2	0.25	2.82	
1.00	1.80	51.			9.1	274.2	5.5							
11	01	01	1	06	-29.7	0.296	-9.000	-9.000	-999.	387.	96.6	0.25	2.82	
1.00	2.70	53.			9.1	274.2	5.5							
11	01	01	1	07	-24.0	0.239	-9.000	-9.000	-999.	282.	63.0	0.25	2.82	
1.00	2.20	70.			9.1	274.2	5.5							
11	01	01	1	08	-8.4	0.138	-9.000	-9.000	-999.	127.	27.3	0.25	2.82	
0.54	1.30	72.			9.1	275.4	5.5							
11	01	01	1	09	44.3	0.280	0.571	0.005	147.	356.	-43.5	0.25	2.82	
0.32	2.20	67.			9.1	277.5	5.5							



11	01	01	1	10	122.7	0.264	0.952	0.005	247.	326.	-13.2	0.25	2.82
0.25	1.80	83.			9.1	279.9	5.5						
11	01	01	1	11	179.8	0.316	1.733	0.005	1017.	426.	-15.4	0.25	2.82
0.22	2.20	58.			9.1	282.0	5.5						
11	01	01	1	12	206.0	0.320	1.940	0.008	1244.	435.	-14.0	0.25	2.82
0.21	2.20	115.			9.1	283.1	5.5						
11	01	01	1	13	132.6	0.214	1.733	0.009	1377.	243.	-6.5	0.25	2.82
0.21	1.30	147.			9.1	284.2	5.5						
11	01	01	1	14	147.0	0.216	1.818	0.009	1431.	242.	-6.0	0.25	2.82
0.23	1.30	219.			9.1	284.9	5.5						
11	01	01	1	15	104.0	0.208	1.633	0.009	1468.	228.	-7.6	0.25	2.82
0.26	1.30	126.			9.1	285.4	5.5						
11	01	01	1	16	26.4	0.140	1.037	0.009	1477.	127.	-9.1	0.25	2.82
0.35	0.90	151.			9.1	284.9	5.5						
11	01	01	1	17	-9.0	0.137	-9.000	-9.000	-999.	121.	24.9	0.25	2.82
0.63	1.30	69.			9.1	283.1	5.5						
11	01	01	1	18	-33.4	0.342	-9.000	-9.000	-999.	481.	129.0	0.25	2.82
1.00	3.10	81.			9.1	281.4	5.5						
11	01	01	1	19	-33.6	0.342	-9.000	-9.000	-999.	481.	128.9	0.25	2.82
1.00	3.10	51.			9.1	279.9	5.5						
11	01	01	1	20	-23.6	0.239	-9.000	-9.000	-999.	287.	63.1	0.25	2.82
1.00	2.20	77.			9.1	278.8	5.5						
11	01	01	1	21	-18.5	0.194	-9.000	-9.000	-999.	205.	41.2	0.25	2.82
1.00	1.80	53.			9.1	277.5	5.5						
11	01	01	1	22	-23.7	0.239	-9.000	-9.000	-999.	281.	63.0	0.25	2.82
1.00	2.20	58.			9.1	277.5	5.5						
11	01	01	1	23	-18.5	0.194	-9.000	-9.000	-999.	205.	41.2	0.25	2.82
1.00	1.80	64.			9.1	277.5	5.5						
11	01	01	1	24	-4.5	0.094	-9.000	-9.000	-999.	74.	16.3	0.25	2.82
1.00	0.90	52.			9.1	277.0	5.5						

First hour of profile data

YR	MO	DY	HR	HEIGHT	F	WDIR	WSPD	AMB_TMP	sigmaA	sigmaW	sigmaV
11	01	01	01	5.5	0	-999.	-99.00	276.5	99.0	-99.00	-99.00
11	01	01	01	9.1	1	69.	1.80	-999.0	99.0	-99.00	-99.00

F indicates top of profile (=1) or below (=0)

```

^ *** AERMOD - VERSION 19191 *** *** C:\LAKES\AERMOD VIEW\13550 HRA\13550
HRA.ISC *** 09/07/21
*** AERMET - VERSION 16216 *** ***
*** 16:51:30

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\*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* THE ANNUAL AVERAGE CONCENTRATION VALUES AVERAGED OVER 5  
YEARS FOR SOURCE GROUP: ALL \*\*\*  
INCLUDING SOURCE(S): VOL1 , VOL2

,

\*\*\* DISCRETE CARTESIAN RECEPTOR POINTS

\*\*\*

		** CONC OF DPM	IN MICROGRAMS/M**3
**			
X-COORD (M)	Y-COORD (M)	CONC	X-COORD (M)
Y-COORD (M)	CONC		
457621.37	3770252.07	0.07209	457689.05
3770249.38	0.21057		
457745.61	3770252.92	0.10922	457745.44
3770222.28	0.15333		
457749.99	3770137.26	0.14059	457519.19
3770256.50	0.01380		
457414.41	3770278.09	0.00473	457617.38
3770107.43	0.15487		
457615.20	3770174.19	0.13680	457596.77
3770197.96	0.07838		
457663.13	3770249.07	0.17943	457757.01
3770115.08	0.11376		
457660.01	3769988.45	0.02766	457750.50
3770071.81	0.07346		
457749.68	3770190.82	0.15134	457490.11
3770394.76	0.00434		
457372.82	3770367.43	0.00262	457414.95
3770345.79	0.00363		
457414.95	3770323.77	0.00398	457414.58
3770303.28	0.00433		
457517.06	3770280.88	0.01149	457442.66
3770259.24	0.00633		
457592.74	3770080.61	0.06578	457922.83
3770071.30	0.01094		
457801.98	3770086.33	0.04020	457792.19
3769422.88	0.00057		

▲ \*\*\* AERMOD - VERSION 19191 \*\*\* C:\LAKES\AERMOD VIEW\13550 HRA\13550  
 HRA.ISC \*\*\* 09/07/21  
 \*\*\* AERMET - VERSION 16216 \*\*\*  
 \*\*\* 16:51:30

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\*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* THE SUMMARY OF MAXIMUM ANNUAL RESULTS

AVERAGED OVER 5 YEARS \*\*\*

\*\* CONC OF DPM IN MICROGRAMS/M\*\*3

\*\*

GROUP ID	NETWORK	AVERAGE CONC	RECEPTOR (XR, YR,
ZELEV, ZHILL, ZFLAG)	OF TYPE	GRID-ID	
ALL	1ST HIGHEST VALUE IS	0.21057 AT (	457689.05, 3770249.38,
335.43,	335.43, 0.00) DC		
	2ND HIGHEST VALUE IS	0.17943 AT (	457663.13, 3770249.07,
335.05,	335.05, 0.00) DC		
	3RD HIGHEST VALUE IS	0.15487 AT (	457617.38, 3770107.43,
333.00,	333.00, 0.00) DC		
	4TH HIGHEST VALUE IS	0.15333 AT (	457745.44, 3770222.28,
335.94,	335.94, 0.00) DC		
	5TH HIGHEST VALUE IS	0.15134 AT (	457749.68, 3770190.82,
335.48,	335.48, 0.00) DC		
	6TH HIGHEST VALUE IS	0.14059 AT (	457749.99, 3770137.26,
335.00,	335.00, 0.00) DC		
	7TH HIGHEST VALUE IS	0.13680 AT (	457615.20, 3770174.19,
334.00,	334.00, 0.00) DC		
	8TH HIGHEST VALUE IS	0.11376 AT (	457757.01, 3770115.08,
334.96,	334.96, 0.00) DC		
	9TH HIGHEST VALUE IS	0.10922 AT (	457745.61, 3770252.92,
336.00,	336.00, 0.00) DC		
	10TH HIGHEST VALUE IS	0.07838 AT (	457596.77, 3770197.96,
334.00,	334.00, 0.00) DC		

\*\*\* RECEPTOR TYPES: GC = GRIDCART  
GP = GRIDPOLR  
DC = DISCCART  
DP = DISCPOLR

▲ \*\*\* AERMOD - VERSION 19191 \*\*\* \*\*\* C:\LAKES\AERMOD VIEW\13550 HRA\13550  
HRA.ISC \*\*\* 09/07/21  
\*\*\* AERMET - VERSION 16216 \*\*\* \*\*\*  
\*\*\* 16:51:30

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\*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* Message Summary : AERMOD Model Execution \*\*\*

----- Summary of Total Messages -----

A Total of 0 Fatal Error Message(s)  
A Total of 7 Warning Message(s)  
A Total of 838 Informational Message(s)

A Total of 43848 Hours Were Processed  
A Total of 40 Calm Hours Identified  
A Total of 798 Missing Hours Identified ( 1.82 Percent)

\*\*\*\*\* FATAL ERROR MESSAGES \*\*\*\*\*  
\*\*\* NONE \*\*\*

\*\*\*\*\* WARNING MESSAGES \*\*\*\*\*  
ME W186 111 MEOPEN: THRESH\_1MIN 1-min ASOS wind speed threshold used  
0.50  
ME W187 111 MEOPEN: ADJ\_U\* Option for Stable Low Winds used in AERMET  
MX W438 8800 METQA: Convective Velocity Data Out-of-Range. KURDAT =  
12010216  
MX W438 11536 METQA: Convective Velocity Data Out-of-Range. KURDAT =  
12042516  
MX W420 16779 METQA: Wind Speed Out-of-Range. KURDAT =  
12113003  
MX W450 26305 CHKDAT: Record Out of Sequence in Meteorological File at:  
15010101  
MX W450 26305 CHKDAT: Record Out of Sequence in Meteorological File at:  
1 year gap

\*\*\*\*\*  
\*\*\* AERMOD Finishes Successfully \*\*\*  
\*\*\*\*\*

```

**
*****
**
** AERMOD Input Produced by:
** AERMOD View Ver. 10.0.1
** Lakes Environmental Software Inc.
** Date: 9/7/2021
** File: C:\Lakes\AERMOD View\13850 HRA\13850 HRA.ADI
**
*****
**
**
*****
** AERMOD Control Pathway
*****
**
**
CO STARTING
  TITLEONE C:\Lakes\AERMOD View\13550 HRA\13550 HRA.isc
  MODELOPT DFAULT CONC
  AVERTIME ANNUAL
  URBANOPT 2035210
  POLLUTID DPM
  RUNORNOT RUN
  ERRORFIL "13850 HRA.err"
CO FINISHED
**
*****
** AERMOD Source Pathway
*****
**
**
SO STARTING
** Source Location **
** Source ID - Type - X Coord. - Y Coord. **
** -----
** Line Source Represented by Adjacent Volume Sources
** LINE VOLUME Source ID = SLINE1
** DESCRSRC On-Site Idling
** PREFIX
** Length of Side = 8.59
** Configuration = Adjacent
** Emission Rate = 6.416E-06
** Vertical Dimension = 6.99
** SZINIT = 3.25
** Nodes = 2
** 457657.436, 3770175.809, 334.01, 3.49, 4.00
** 457657.436, 3770112.330, 333.90, 3.49, 4.00
** -----
  LOCATION L0000922      VOLUME  457657.436 3770171.514 334.00

```

LOCATION L0000923	VOLUME	457657.436	3770162.924	334.00
LOCATION L0000924	VOLUME	457657.436	3770154.334	334.00
LOCATION L0000925	VOLUME	457657.436	3770145.744	334.00
LOCATION L0000926	VOLUME	457657.436	3770137.154	333.98
LOCATION L0000927	VOLUME	457657.436	3770128.564	333.96
LOCATION L0000928	VOLUME	457657.436	3770119.974	333.94

\*\* End of LINE VOLUME Source ID = SLINE1

\*\* -----

\*\* Line Source Represented by Adjacent Volume Sources

\*\* LINE VOLUME Source ID = SLINE2

\*\* DESCRSRC On-Site Travel

\*\* PREFIX

\*\* Length of Side = 8.59

\*\* Configuration = Adjacent

\*\* Emission Rate = 1.625E-06

\*\* Vertical Dimension = 6.99

\*\* SZINIT = 3.25

\*\* Nodes = 2

\*\* 457636.907, 3770175.809, 334.00, 3.49, 4.00

\*\* 457638.528, 3770060.196, 332.91, 3.49, 4.00

\*\* -----

LOCATION L0000929	VOLUME	457636.967	3770171.514	334.00
LOCATION L0000930	VOLUME	457637.088	3770162.925	334.00
LOCATION L0000931	VOLUME	457637.208	3770154.336	334.00
LOCATION L0000932	VOLUME	457637.329	3770145.747	333.99
LOCATION L0000933	VOLUME	457637.449	3770137.157	333.77
LOCATION L0000934	VOLUME	457637.569	3770128.568	333.57
LOCATION L0000935	VOLUME	457637.690	3770119.979	333.36
LOCATION L0000936	VOLUME	457637.810	3770111.390	333.23
LOCATION L0000937	VOLUME	457637.931	3770102.801	333.15
LOCATION L0000938	VOLUME	457638.051	3770094.212	333.07
LOCATION L0000939	VOLUME	457638.171	3770085.622	333.00
LOCATION L0000940	VOLUME	457638.292	3770077.033	333.00
LOCATION L0000941	VOLUME	457638.412	3770068.444	333.00

\*\* End of LINE VOLUME Source ID = SLINE2

\*\* -----

\*\* Line Source Represented by Adjacent Volume Sources

\*\* LINE VOLUME Source ID = SLINE3

\*\* DESCRSRC Off-Site Travel

\*\* PREFIX

\*\* Length of Side = 8.59

\*\* Configuration = Adjacent

\*\* Emission Rate = 5.819E-06

\*\* Vertical Dimension = 6.99

\*\* SZINIT = 3.25

\*\* Nodes = 9

\*\* 457635.827, 3770047.230, 332.73, 3.49, 4.00

\*\* 458044.081, 3770043.804, 335.00, 3.49, 4.00

\*\* 458131.748, 3770043.195, 335.47, 3.49, 4.00

\*\* 458131.139, 3769949.440, 333.93, 3.49, 4.00

\*\* 458135.401, 3769910.477, 333.02, 3.49, 4.00  
 \*\* 458137.227, 3769866.643, 332.76, 3.49, 4.00  
 \*\* 458135.401, 3769835.595, 332.14, 3.49, 4.00  
 \*\* 458135.401, 3769825.854, 332.11, 3.49, 4.00  
 \*\* 458137.836, 3769590.248, 335.00, 3.49, 4.00

\*\* -----  
 LOCATION L0000942      VOLUME    457640.121 3770047.194 332.69  
 LOCATION L0000943      VOLUME    457648.711 3770047.122 332.69  
 LOCATION L0000944      VOLUME    457657.301 3770047.050 332.69  
 LOCATION L0000945      VOLUME    457665.891 3770046.978 332.75  
 LOCATION L0000946      VOLUME    457674.480 3770046.906 332.84  
 LOCATION L0000947      VOLUME    457683.070 3770046.834 332.93  
 LOCATION L0000948      VOLUME    457691.660 3770046.762 333.00  
 LOCATION L0000949      VOLUME    457700.249 3770046.690 333.00  
 LOCATION L0000950      VOLUME    457708.839 3770046.617 333.00  
 LOCATION L0000951      VOLUME    457717.429 3770046.545 333.00  
 LOCATION L0000952      VOLUME    457726.018 3770046.473 333.14  
 LOCATION L0000953      VOLUME    457734.608 3770046.401 333.33  
 LOCATION L0000954      VOLUME    457743.198 3770046.329 333.52  
 LOCATION L0000955      VOLUME    457751.788 3770046.257 333.66  
 LOCATION L0000956      VOLUME    457760.377 3770046.185 333.66  
 LOCATION L0000957      VOLUME    457768.967 3770046.113 333.66  
 LOCATION L0000958      VOLUME    457777.557 3770046.041 333.66  
 LOCATION L0000959      VOLUME    457786.146 3770045.969 333.73  
 LOCATION L0000960      VOLUME    457794.736 3770045.897 333.83  
 LOCATION L0000961      VOLUME    457803.326 3770045.825 333.93  
 LOCATION L0000962      VOLUME    457811.915 3770045.752 334.00  
 LOCATION L0000963      VOLUME    457820.505 3770045.680 334.00  
 LOCATION L0000964      VOLUME    457829.095 3770045.608 334.00  
 LOCATION L0000965      VOLUME    457837.685 3770045.536 334.00  
 LOCATION L0000966      VOLUME    457846.274 3770045.464 334.00  
 LOCATION L0000967      VOLUME    457854.864 3770045.392 334.00  
 LOCATION L0000968      VOLUME    457863.454 3770045.320 334.00  
 LOCATION L0000969      VOLUME    457872.043 3770045.248 334.00  
 LOCATION L0000970      VOLUME    457880.633 3770045.176 334.00  
 LOCATION L0000971      VOLUME    457889.223 3770045.104 334.00  
 LOCATION L0000972      VOLUME    457897.812 3770045.032 334.00  
 LOCATION L0000973      VOLUME    457906.402 3770044.960 334.14  
 LOCATION L0000974      VOLUME    457914.992 3770044.887 334.32  
 LOCATION L0000975      VOLUME    457923.581 3770044.815 334.49  
 LOCATION L0000976      VOLUME    457932.171 3770044.743 334.61  
 LOCATION L0000977      VOLUME    457940.761 3770044.671 334.61  
 LOCATION L0000978      VOLUME    457949.351 3770044.599 334.61  
 LOCATION L0000979      VOLUME    457957.940 3770044.527 334.61  
 LOCATION L0000980      VOLUME    457966.530 3770044.455 334.60  
 LOCATION L0000981      VOLUME    457975.120 3770044.383 334.60  
 LOCATION L0000982      VOLUME    457983.709 3770044.311 334.60  
 LOCATION L0000983      VOLUME    457992.299 3770044.239 334.60  
 LOCATION L0000984      VOLUME    458000.889 3770044.167 334.59  
 LOCATION L0000985      VOLUME    458009.478 3770044.095 334.59

LOCATION	L0000986	VOLUME	458018.068	3770044.022	334.59
LOCATION	L0000987	VOLUME	458026.658	3770043.950	334.68
LOCATION	L0000988	VOLUME	458035.248	3770043.878	334.80
LOCATION	L0000989	VOLUME	458043.837	3770043.806	334.92
LOCATION	L0000990	VOLUME	458052.427	3770043.746	335.00
LOCATION	L0000991	VOLUME	458061.017	3770043.687	335.00
LOCATION	L0000992	VOLUME	458069.607	3770043.627	335.00
LOCATION	L0000993	VOLUME	458078.196	3770043.567	335.00
LOCATION	L0000994	VOLUME	458086.786	3770043.508	335.00
LOCATION	L0000995	VOLUME	458095.376	3770043.448	335.00
LOCATION	L0000996	VOLUME	458103.966	3770043.388	335.00
LOCATION	L0000997	VOLUME	458112.556	3770043.329	335.06
LOCATION	L0000998	VOLUME	458121.145	3770043.269	335.22
LOCATION	L0000999	VOLUME	458129.735	3770043.209	335.38
LOCATION	L0001000	VOLUME	458131.705	3770036.618	335.25
LOCATION	L0001001	VOLUME	458131.650	3770028.029	335.04
LOCATION	L0001002	VOLUME	458131.594	3770019.439	335.00
LOCATION	L0001003	VOLUME	458131.538	3770010.849	335.00
LOCATION	L0001004	VOLUME	458131.482	3770002.259	335.00
LOCATION	L0001005	VOLUME	458131.426	3769993.669	334.91
LOCATION	L0001006	VOLUME	458131.371	3769985.079	334.62
LOCATION	L0001007	VOLUME	458131.315	3769976.490	334.34
LOCATION	L0001008	VOLUME	458131.259	3769967.900	334.05
LOCATION	L0001009	VOLUME	458131.203	3769959.310	334.00
LOCATION	L0001010	VOLUME	458131.148	3769950.720	334.00
LOCATION	L0001011	VOLUME	458131.934	3769942.174	334.00
LOCATION	L0001012	VOLUME	458132.868	3769933.634	333.91
LOCATION	L0001013	VOLUME	458133.802	3769925.095	333.62
LOCATION	L0001014	VOLUME	458134.736	3769916.556	333.34
LOCATION	L0001015	VOLUME	458135.504	3769908.005	333.06
LOCATION	L0001016	VOLUME	458135.861	3769899.422	332.97
LOCATION	L0001017	VOLUME	458136.219	3769890.840	332.94
LOCATION	L0001018	VOLUME	458136.577	3769882.257	332.92
LOCATION	L0001019	VOLUME	458136.934	3769873.674	332.83
LOCATION	L0001020	VOLUME	458137.136	3769865.093	332.57
LOCATION	L0001021	VOLUME	458136.632	3769856.518	332.31
LOCATION	L0001022	VOLUME	458136.127	3769847.943	332.05
LOCATION	L0001023	VOLUME	458135.623	3769839.368	331.97
LOCATION	L0001024	VOLUME	458135.401	3769830.784	331.93
LOCATION	L0001025	VOLUME	458135.439	3769822.194	331.89
LOCATION	L0001026	VOLUME	458135.527	3769813.605	331.96
LOCATION	L0001027	VOLUME	458135.616	3769805.015	332.25
LOCATION	L0001028	VOLUME	458135.705	3769796.426	332.53
LOCATION	L0001029	VOLUME	458135.794	3769787.836	332.82
LOCATION	L0001030	VOLUME	458135.883	3769779.247	333.32
LOCATION	L0001031	VOLUME	458135.971	3769770.657	333.86
LOCATION	L0001032	VOLUME	458136.060	3769762.068	334.41
LOCATION	L0001033	VOLUME	458136.149	3769753.478	334.79
LOCATION	L0001034	VOLUME	458136.238	3769744.889	334.86
LOCATION	L0001035	VOLUME	458136.326	3769736.299	334.93



LOCATION	L0001036	VOLUME	458136.415	3769727.709	334.99
LOCATION	L0001037	VOLUME	458136.504	3769719.120	335.00
LOCATION	L0001038	VOLUME	458136.593	3769710.530	335.00
LOCATION	L0001039	VOLUME	458136.682	3769701.941	335.00
LOCATION	L0001040	VOLUME	458136.770	3769693.351	334.40
LOCATION	L0001041	VOLUME	458136.859	3769684.762	332.68
LOCATION	L0001042	VOLUME	458136.948	3769676.172	330.97
LOCATION	L0001043	VOLUME	458137.037	3769667.583	329.25
LOCATION	L0001044	VOLUME	458137.125	3769658.993	330.43
LOCATION	L0001045	VOLUME	458137.214	3769650.404	332.10
LOCATION	L0001046	VOLUME	458137.303	3769641.814	333.78
LOCATION	L0001047	VOLUME	458137.392	3769633.225	334.87
LOCATION	L0001048	VOLUME	458137.481	3769624.635	334.91
LOCATION	L0001049	VOLUME	458137.569	3769616.045	334.96
LOCATION	L0001050	VOLUME	458137.658	3769607.456	335.00
LOCATION	L0001051	VOLUME	458137.747	3769598.866	334.97
LOCATION	L0001052	VOLUME	458137.836	3769590.277	334.94

\*\* End of LINE VOLUME Source ID = SLINE3

\*\* Source Parameters \*\*

\*\* LINE VOLUME Source ID = SLINE1

SRCPARAM	L0000922	0.0000009166	3.49	4.00	3.25
SRCPARAM	L0000923	0.0000009166	3.49	4.00	3.25
SRCPARAM	L0000924	0.0000009166	3.49	4.00	3.25
SRCPARAM	L0000925	0.0000009166	3.49	4.00	3.25
SRCPARAM	L0000926	0.0000009166	3.49	4.00	3.25
SRCPARAM	L0000927	0.0000009166	3.49	4.00	3.25
SRCPARAM	L0000928	0.0000009166	3.49	4.00	3.25

\*\*

\*\* LINE VOLUME Source ID = SLINE2

SRCPARAM	L0000929	0.000000125	3.49	4.00	3.25
SRCPARAM	L0000930	0.000000125	3.49	4.00	3.25
SRCPARAM	L0000931	0.000000125	3.49	4.00	3.25
SRCPARAM	L0000932	0.000000125	3.49	4.00	3.25
SRCPARAM	L0000933	0.000000125	3.49	4.00	3.25
SRCPARAM	L0000934	0.000000125	3.49	4.00	3.25
SRCPARAM	L0000935	0.000000125	3.49	4.00	3.25
SRCPARAM	L0000936	0.000000125	3.49	4.00	3.25
SRCPARAM	L0000937	0.000000125	3.49	4.00	3.25
SRCPARAM	L0000938	0.000000125	3.49	4.00	3.25
SRCPARAM	L0000939	0.000000125	3.49	4.00	3.25
SRCPARAM	L0000940	0.000000125	3.49	4.00	3.25
SRCPARAM	L0000941	0.000000125	3.49	4.00	3.25

\*\*

\*\* LINE VOLUME Source ID = SLINE3

SRCPARAM	L0000942	0.00000005242	3.49	4.00	3.25
SRCPARAM	L0000943	0.00000005242	3.49	4.00	3.25
SRCPARAM	L0000944	0.00000005242	3.49	4.00	3.25
SRCPARAM	L0000945	0.00000005242	3.49	4.00	3.25
SRCPARAM	L0000946	0.00000005242	3.49	4.00	3.25
SRCPARAM	L0000947	0.00000005242	3.49	4.00	3.25

[illegible]

[illegible]

SRCPARAM L0001048	0.00000005242	3.49	4.00	3.25
SRCPARAM L0001049	0.00000005242	3.49	4.00	3.25
SRCPARAM L0001050	0.00000005242	3.49	4.00	3.25
SRCPARAM L0001051	0.00000005242	3.49	4.00	3.25
SRCPARAM L0001052	0.00000005242	3.49	4.00	3.25

\*\* -----

URBANSRC ALL

SRCGROUP ALL

SO FINISHED

\*\*

\*\*\*\*\*

\*\* AERMOD Receptor Pathway

\*\*\*\*\*

\*\*

\*\*

RE STARTING

INCLUDED "13850 HRA.rou"

RE FINISHED

\*\*

\*\*\*\*\*

\*\* AERMOD Meteorology Pathway

\*\*\*\*\*

\*\*

\*\*

ME STARTING

SURFFILE FontanaADJU\FONT\_V9\_ADJU\FONT\_v9.SFC

PROFFILE FontanaADJU\FONT\_V9\_ADJU\FONT\_v9.PFL

SURFDATA 3102 2011

UAIRDATA 3190 2011

SITEDATA 99999 2011

PROFBASE 367.0 METERS

ME FINISHED

\*\*

\*\*\*\*\*

\*\* AERMOD Output Pathway

\*\*\*\*\*

\*\*

\*\*

OU STARTING

\*\* Auto-Generated Plotfiles

PLOTFILE ANNUAL ALL "13850 HRA.AD\AN00GALL.PLT" 31

SUMMFILE "13850 HRA.sum"

OU FINISHED

\*\*\* Message Summary For AERMOD Model Setup \*\*\*

----- Summary of Total Messages -----

A Total of                    0 Fatal Error Message(s)

A Total of 2 Warning Message(s)  
A Total of 0 Informational Message(s)

\*\*\*\*\* FATAL ERROR MESSAGES \*\*\*\*\*  
\*\*\* NONE \*\*\*

\*\*\*\*\* WARNING MESSAGES \*\*\*\*\*  
ME W186 382 MEOPEN: THRESH\_1MIN 1-min ASOS wind speed threshold used  
0.50  
ME W187 382 MEOPEN: ADJ\_U\* Option for Stable Low Winds used in AERMET

\*\*\*\*\*  
\*\*\* SETUP Finishes Successfully \*\*\*  
\*\*\*\*\*

▲ \*\*\* AERMOD - VERSION 21112 \*\*\* C:\Lakes\AERMOD View\13550 HRA\13550  
HRA.isc \*\*\* 09/07/21  
\*\*\* AERMET - VERSION 16216 \*\*\*  
\*\*\* 16:35:21

PAGE 1  
\*\*\* MODELOPTs: RegDEFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* MODEL SETUP OPTIONS SUMMARY

\*\*\*

-- --  
\*\*Model Is Setup For Calculation of Average CONCentration Values.

-- DEPOSITION LOGIC --  
\*\*NO GAS DEPOSITION Data Provided.  
\*\*NO PARTICLE DEPOSITION Data Provided.  
\*\*Model Uses NO DRY DEPLETION. DRYDPLT = F  
\*\*Model Uses NO WET DEPLETION. WETDPLT = F

\*\*Model Uses URBAN Dispersion Algorithm for the SBL for 131 Source(s),  
for Total of 1 Urban Area(s):  
Urban Population = 2035210.0 ; Urban Roughness Length = 1.000 m

\*\*Model Uses Regulatory DEFAULT Options:  
1. Stack-tip Downwash.  
2. Model Accounts for ELEVated Terrain Effects.  
3. Use Calms Processing Routine.  
4. Use Missing Data Processing Routine.  
5. No Exponential Decay.  
6. Urban Roughness Length of 1.0 Meter Assumed.

**\*\*Other Options Specified:**

ADJ\_U\* - Use ADJ\_U\* option for SBL in AERMET  
TEMP\_Sub - Meteorological data includes TEMP substitutions

**\*\*Model Assumes No FLAGPOLE Receptor Heights.**

**\*\*The User Specified a Pollutant Type of: DPM**

**\*\*Model Calculates ANNUAL Averages Only**

**\*\*This Run Includes: 131 Source(s); 1 Source Group(s); and 26 Receptor(s)**

with: 0 POINT(s), including  
0 POINTCAP(s) and 0 POINTHOR(s)  
and: 131 VOLUME source(s)  
and: 0 AREA type source(s)  
and: 0 LINE source(s)  
and: 0 RLINE/RLINEXT source(s)  
and: 0 OPENPIT source(s)  
and: 0 BUOYANT LINE source(s) with a total of 0 line(s)

**\*\*Model Set To Continue RUNNING After the Setup Testing.**

**\*\*The AERMET Input Meteorological Data Version Date: 16216**

**\*\*Output Options Selected:**

Model Outputs Tables of ANNUAL Averages by Receptor  
Model Outputs External File(s) of High Values for Plotting (PLOTFILE  
Keyword)  
Model Outputs Separate Summary File of High Ranked Values (SUMMFILE  
Keyword)

**\*\*NOTE:** The Following Flags May Appear Following CONC Values: c for Calm Hours  
m for Missing  
Hours  
b for Both Calm  
and Missing Hours

**\*\*Misc. Inputs:** Base Elev. for Pot. Temp. Profile (m MSL) = 367.00 ; Decay  
Coef. = 0.000 ; Rot. Angle = 0.0  
Emission Units = GRAMS/SEC ;  
Emission Rate Unit Factor = 0.10000E+07  
Output Units = MICROGRAMS/M\*\*3

**\*\*Approximate Storage Requirements of Model = 3.6 MB of RAM.**

**\*\*Input Runstream File: aermod.inp**

\*\*Output Print File: aermod.out

\*\*Detailed Error/Message File: 13850 HRA.err

\*\*File for Summary of Results: 13850 HRA.sum

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HRA.isc \*\*\* 09/07/21  
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\*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* VOLUME SOURCE DATA \*\*\*

INIT.	URBAN	NUMBER	EMISSION	RATE		BASE	RELEASE	INIT.
SOURCE		EMISSION	RATE					
SZ	SOURCE	PART.	(GRAMS/SEC)	X	Y	ELEV.	HEIGHT	SY
ID		SCALAR	VARY					
(METERS)		CATS.		(METERS)	(METERS)	(METERS)	(METERS)	(METERS)
		BY						
L0000922		0	0.91660E-06	457657.4	3770171.5	334.0	3.49	4.00
3.25	YES							
L0000923		0	0.91660E-06	457657.4	3770162.9	334.0	3.49	4.00
3.25	YES							
L0000924		0	0.91660E-06	457657.4	3770154.3	334.0	3.49	4.00
3.25	YES							
L0000925		0	0.91660E-06	457657.4	3770145.7	334.0	3.49	4.00
3.25	YES							
L0000926		0	0.91660E-06	457657.4	3770137.2	334.0	3.49	4.00
3.25	YES							
L0000927		0	0.91660E-06	457657.4	3770128.6	334.0	3.49	4.00
3.25	YES							
L0000928		0	0.91660E-06	457657.4	3770120.0	333.9	3.49	4.00
3.25	YES							
L0000929		0	0.12500E-06	457637.0	3770171.5	334.0	3.49	4.00
3.25	YES							
L0000930		0	0.12500E-06	457637.1	3770162.9	334.0	3.49	4.00
3.25	YES							
L0000931		0	0.12500E-06	457637.2	3770154.3	334.0	3.49	4.00
3.25	YES							
L0000932		0	0.12500E-06	457637.3	3770145.7	334.0	3.49	4.00
3.25	YES							

L0000933	0	0.12500E-06	457637.4	3770137.2	333.8	3.49	4.00
3.25 YES							
L0000934	0	0.12500E-06	457637.6	3770128.6	333.6	3.49	4.00
3.25 YES							
L0000935	0	0.12500E-06	457637.7	3770120.0	333.4	3.49	4.00
3.25 YES							
L0000936	0	0.12500E-06	457637.8	3770111.4	333.2	3.49	4.00
3.25 YES							
L0000937	0	0.12500E-06	457637.9	3770102.8	333.2	3.49	4.00
3.25 YES							
L0000938	0	0.12500E-06	457638.1	3770094.2	333.1	3.49	4.00
3.25 YES							
L0000939	0	0.12500E-06	457638.2	3770085.6	333.0	3.49	4.00
3.25 YES							
L0000940	0	0.12500E-06	457638.3	3770077.0	333.0	3.49	4.00
3.25 YES							
L0000941	0	0.12500E-06	457638.4	3770068.4	333.0	3.49	4.00
3.25 YES							
L0000942	0	0.52420E-07	457640.1	3770047.2	332.7	3.49	4.00
3.25 YES							
L0000943	0	0.52420E-07	457648.7	3770047.1	332.7	3.49	4.00
3.25 YES							
L0000944	0	0.52420E-07	457657.3	3770047.0	332.7	3.49	4.00
3.25 YES							
L0000945	0	0.52420E-07	457665.9	3770047.0	332.8	3.49	4.00
3.25 YES							
L0000946	0	0.52420E-07	457674.5	3770046.9	332.8	3.49	4.00
3.25 YES							
L0000947	0	0.52420E-07	457683.1	3770046.8	332.9	3.49	4.00
3.25 YES							
L0000948	0	0.52420E-07	457691.7	3770046.8	333.0	3.49	4.00
3.25 YES							
L0000949	0	0.52420E-07	457700.2	3770046.7	333.0	3.49	4.00
3.25 YES							
L0000950	0	0.52420E-07	457708.8	3770046.6	333.0	3.49	4.00
3.25 YES							
L0000951	0	0.52420E-07	457717.4	3770046.5	333.0	3.49	4.00
3.25 YES							
L0000952	0	0.52420E-07	457726.0	3770046.5	333.1	3.49	4.00
3.25 YES							
L0000953	0	0.52420E-07	457734.6	3770046.4	333.3	3.49	4.00
3.25 YES							
L0000954	0	0.52420E-07	457743.2	3770046.3	333.5	3.49	4.00
3.25 YES							
L0000955	0	0.52420E-07	457751.8	3770046.3	333.7	3.49	4.00
3.25 YES							
L0000956	0	0.52420E-07	457760.4	3770046.2	333.7	3.49	4.00
3.25 YES							
L0000957	0	0.52420E-07	457769.0	3770046.1	333.7	3.49	4.00
3.25 YES							



```

L0000958      0  0.52420E-07  457777.6  3770046.0  333.7      3.49      4.00
3.25      YES
L0000959      0  0.52420E-07  457786.1  3770046.0  333.7      3.49      4.00
3.25      YES
L0000960      0  0.52420E-07  457794.7  3770045.9  333.8      3.49      4.00
3.25      YES
L0000961      0  0.52420E-07  457803.3  3770045.8  333.9      3.49      4.00
3.25      YES
^ *** AERMOD - VERSION 21112 *** *** C:\Lakes\AERMOD View\13550 HRA\13550
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*** MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ_U*

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\*\*\* VOLUME SOURCE DATA \*\*\*

INIT.	URBAN	NUMBER EMISSION RATE	BASE	RELEASE	INIT.
SOURCE	EMISSION RATE				
SZ	PART. (GRAMS/SEC)	X	Y	ELEV.	HEIGHT
ID	SCALAR VARY	(METERS)	(METERS)	(METERS)	(METERS)
(METERS)	CATS.	BY			

```

L0000962      0  0.52420E-07  457811.9  3770045.8  334.0      3.49      4.00
3.25      YES
L0000963      0  0.52420E-07  457820.5  3770045.7  334.0      3.49      4.00
3.25      YES
L0000964      0  0.52420E-07  457829.1  3770045.6  334.0      3.49      4.00
3.25      YES
L0000965      0  0.52420E-07  457837.7  3770045.5  334.0      3.49      4.00
3.25      YES
L0000966      0  0.52420E-07  457846.3  3770045.5  334.0      3.49      4.00
3.25      YES
L0000967      0  0.52420E-07  457854.9  3770045.4  334.0      3.49      4.00
3.25      YES
L0000968      0  0.52420E-07  457863.5  3770045.3  334.0      3.49      4.00
3.25      YES
L0000969      0  0.52420E-07  457872.0  3770045.2  334.0      3.49      4.00
3.25      YES
L0000970      0  0.52420E-07  457880.6  3770045.2  334.0      3.49      4.00
3.25      YES
L0000971      0  0.52420E-07  457889.2  3770045.1  334.0      3.49      4.00
3.25      YES
L0000972      0  0.52420E-07  457897.8  3770045.0  334.0      3.49      4.00
3.25      YES

```

L0000973	0	0.52420E-07	457906.4	3770045.0	334.1	3.49	4.00
3.25 YES							
L0000974	0	0.52420E-07	457915.0	3770044.9	334.3	3.49	4.00
3.25 YES							
L0000975	0	0.52420E-07	457923.6	3770044.8	334.5	3.49	4.00
3.25 YES							
L0000976	0	0.52420E-07	457932.2	3770044.7	334.6	3.49	4.00
3.25 YES							
L0000977	0	0.52420E-07	457940.8	3770044.7	334.6	3.49	4.00
3.25 YES							
L0000978	0	0.52420E-07	457949.4	3770044.6	334.6	3.49	4.00
3.25 YES							
L0000979	0	0.52420E-07	457957.9	3770044.5	334.6	3.49	4.00
3.25 YES							
L0000980	0	0.52420E-07	457966.5	3770044.5	334.6	3.49	4.00
3.25 YES							
L0000981	0	0.52420E-07	457975.1	3770044.4	334.6	3.49	4.00
3.25 YES							
L0000982	0	0.52420E-07	457983.7	3770044.3	334.6	3.49	4.00
3.25 YES							
L0000983	0	0.52420E-07	457992.3	3770044.2	334.6	3.49	4.00
3.25 YES							
L0000984	0	0.52420E-07	458000.9	3770044.2	334.6	3.49	4.00
3.25 YES							
L0000985	0	0.52420E-07	458009.5	3770044.1	334.6	3.49	4.00
3.25 YES							
L0000986	0	0.52420E-07	458018.1	3770044.0	334.6	3.49	4.00
3.25 YES							
L0000987	0	0.52420E-07	458026.7	3770043.9	334.7	3.49	4.00
3.25 YES							
L0000988	0	0.52420E-07	458035.2	3770043.9	334.8	3.49	4.00
3.25 YES							
L0000989	0	0.52420E-07	458043.8	3770043.8	334.9	3.49	4.00
3.25 YES							
L0000990	0	0.52420E-07	458052.4	3770043.7	335.0	3.49	4.00
3.25 YES							
L0000991	0	0.52420E-07	458061.0	3770043.7	335.0	3.49	4.00
3.25 YES							
L0000992	0	0.52420E-07	458069.6	3770043.6	335.0	3.49	4.00
3.25 YES							
L0000993	0	0.52420E-07	458078.2	3770043.6	335.0	3.49	4.00
3.25 YES							
L0000994	0	0.52420E-07	458086.8	3770043.5	335.0	3.49	4.00
3.25 YES							
L0000995	0	0.52420E-07	458095.4	3770043.4	335.0	3.49	4.00
3.25 YES							
L0000996	0	0.52420E-07	458104.0	3770043.4	335.0	3.49	4.00
3.25 YES							
L0000997	0	0.52420E-07	458112.6	3770043.3	335.1	3.49	4.00
3.25 YES							

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L0000998      0  0.52420E-07  458121.1  3770043.3   335.2    3.49    4.00
3.25      YES
L0000999      0  0.52420E-07  458129.7  3770043.2   335.4    3.49    4.00
3.25      YES
L0001000      0  0.52420E-07  458131.7  3770036.6   335.2    3.49    4.00
3.25      YES
L0001001      0  0.52420E-07  458131.6  3770028.0   335.0    3.49    4.00
3.25      YES
^ *** AERMOD - VERSION 21112 *** *** C:\Lakes\AERMOD View\13550 HRA\13550
HRA.isc *** 09/07/21
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\*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* VOLUME SOURCE DATA \*\*\*

INIT.	URBAN	NUMBER	EMISSION	RATE	BASE	RELEASE	INIT.
INIT.	SOURCE	EMISSION	RATE				
SZ	SOURCE	PART.	(GRAMS/SEC)	X	Y	ELEV.	HEIGHT
ID	SCALAR	VARY		(METERS)	(METERS)	(METERS)	(METERS)
(METERS)	CATS.	BY					(METERS)
L0001002	0	0.52420E-07	458131.6	3770019.4	335.0	3.49	4.00
3.25	YES						
L0001003	0	0.52420E-07	458131.5	3770010.8	335.0	3.49	4.00
3.25	YES						
L0001004	0	0.52420E-07	458131.5	3770002.3	335.0	3.49	4.00
3.25	YES						
L0001005	0	0.52420E-07	458131.4	3769993.7	334.9	3.49	4.00
3.25	YES						
L0001006	0	0.52420E-07	458131.4	3769985.1	334.6	3.49	4.00
3.25	YES						
L0001007	0	0.52420E-07	458131.3	3769976.5	334.3	3.49	4.00
3.25	YES						
L0001008	0	0.52420E-07	458131.3	3769967.9	334.1	3.49	4.00
3.25	YES						
L0001009	0	0.52420E-07	458131.2	3769959.3	334.0	3.49	4.00
3.25	YES						
L0001010	0	0.52420E-07	458131.1	3769950.7	334.0	3.49	4.00
3.25	YES						
L0001011	0	0.52420E-07	458131.9	3769942.2	334.0	3.49	4.00
3.25	YES						
L0001012	0	0.52420E-07	458132.9	3769933.6	333.9	3.49	4.00
3.25	YES						

L0001013	0	0.52420E-07	458133.8	3769925.1	333.6	3.49	4.00
3.25 YES							
L0001014	0	0.52420E-07	458134.7	3769916.6	333.3	3.49	4.00
3.25 YES							
L0001015	0	0.52420E-07	458135.5	3769908.0	333.1	3.49	4.00
3.25 YES							
L0001016	0	0.52420E-07	458135.9	3769899.4	333.0	3.49	4.00
3.25 YES							
L0001017	0	0.52420E-07	458136.2	3769890.8	332.9	3.49	4.00
3.25 YES							
L0001018	0	0.52420E-07	458136.6	3769882.3	332.9	3.49	4.00
3.25 YES							
L0001019	0	0.52420E-07	458136.9	3769873.7	332.8	3.49	4.00
3.25 YES							
L0001020	0	0.52420E-07	458137.1	3769865.1	332.6	3.49	4.00
3.25 YES							
L0001021	0	0.52420E-07	458136.6	3769856.5	332.3	3.49	4.00
3.25 YES							
L0001022	0	0.52420E-07	458136.1	3769847.9	332.1	3.49	4.00
3.25 YES							
L0001023	0	0.52420E-07	458135.6	3769839.4	332.0	3.49	4.00
3.25 YES							
L0001024	0	0.52420E-07	458135.4	3769830.8	331.9	3.49	4.00
3.25 YES							
L0001025	0	0.52420E-07	458135.4	3769822.2	331.9	3.49	4.00
3.25 YES							
L0001026	0	0.52420E-07	458135.5	3769813.6	332.0	3.49	4.00
3.25 YES							
L0001027	0	0.52420E-07	458135.6	3769805.0	332.2	3.49	4.00
3.25 YES							
L0001028	0	0.52420E-07	458135.7	3769796.4	332.5	3.49	4.00
3.25 YES							
L0001029	0	0.52420E-07	458135.8	3769787.8	332.8	3.49	4.00
3.25 YES							
L0001030	0	0.52420E-07	458135.9	3769779.2	333.3	3.49	4.00
3.25 YES							
L0001031	0	0.52420E-07	458136.0	3769770.7	333.9	3.49	4.00
3.25 YES							
L0001032	0	0.52420E-07	458136.1	3769762.1	334.4	3.49	4.00
3.25 YES							
L0001033	0	0.52420E-07	458136.1	3769753.5	334.8	3.49	4.00
3.25 YES							
L0001034	0	0.52420E-07	458136.2	3769744.9	334.9	3.49	4.00
3.25 YES							
L0001035	0	0.52420E-07	458136.3	3769736.3	334.9	3.49	4.00
3.25 YES							
L0001036	0	0.52420E-07	458136.4	3769727.7	335.0	3.49	4.00
3.25 YES							
L0001037	0	0.52420E-07	458136.5	3769719.1	335.0	3.49	4.00
3.25 YES							

```

L0001038      0  0.52420E-07  458136.6  3769710.5   335.0    3.49    4.00
3.25      YES
L0001039      0  0.52420E-07  458136.7  3769701.9   335.0    3.49    4.00
3.25      YES
L0001040      0  0.52420E-07  458136.8  3769693.4   334.4    3.49    4.00
3.25      YES
L0001041      0  0.52420E-07  458136.9  3769684.8   332.7    3.49    4.00
3.25      YES
^ *** AERMOD - VERSION 21112 *** *** C:\Lakes\AERMOD View\13550 HRA\13550
HRA.isc *** 09/07/21
*** AERMET - VERSION 16216 *** ***
*** 16:35:21

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*** MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ_U*

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\*\*\* VOLUME SOURCE DATA \*\*\*

INIT.	URBAN	NUMBER	EMISSION	RATE		BASE	RELEASE	INIT.
SOURCE		EMISSION	RATE			ELEV.	HEIGHT	SY
SZ	SOURCE	SCALAR	VARY		X	Y		
ID		CATS.			(METERS)	(METERS)	(METERS)	(METERS)
(METERS)		BY						

```

L0001042      0  0.52420E-07  458136.9  3769676.2   331.0    3.49    4.00
3.25      YES
L0001043      0  0.52420E-07  458137.0  3769667.6   329.2    3.49    4.00
3.25      YES
L0001044      0  0.52420E-07  458137.1  3769659.0   330.4    3.49    4.00
3.25      YES
L0001045      0  0.52420E-07  458137.2  3769650.4   332.1    3.49    4.00
3.25      YES
L0001046      0  0.52420E-07  458137.3  3769641.8   333.8    3.49    4.00
3.25      YES
L0001047      0  0.52420E-07  458137.4  3769633.2   334.9    3.49    4.00
3.25      YES
L0001048      0  0.52420E-07  458137.5  3769624.6   334.9    3.49    4.00
3.25      YES
L0001049      0  0.52420E-07  458137.6  3769616.0   335.0    3.49    4.00
3.25      YES
L0001050      0  0.52420E-07  458137.7  3769607.5   335.0    3.49    4.00
3.25      YES
L0001051      0  0.52420E-07  458137.7  3769598.9   335.0    3.49    4.00
3.25      YES
L0001052      0  0.52420E-07  458137.8  3769590.3   334.9    3.49    4.00
3.25      YES

```

▲ \*\*\* AERMOD - VERSION 21112 \*\*\* \*\*\* C:\Lakes\AERMOD View\13550 HRA\13550  
 HRA.isc \*\*\* 09/07/21  
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 \*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* SOURCE IDs DEFINING SOURCE GROUPS

\*\*\*

SRCGROUP ID		SOURCE IDs					
-----		-----					
ALL	L0000922	, L0000923	, L0000924	, L0000925	, L0000926	,	
L0000927	, L0000928	, L0000929	,				
	L0000930	, L0000931	, L0000932	, L0000933	, L0000934	,	
L0000935	, L0000936	, L0000937	,				
	L0000938	, L0000939	, L0000940	, L0000941	, L0000942	,	
L0000943	, L0000944	, L0000945	,				
	L0000946	, L0000947	, L0000948	, L0000949	, L0000950	,	
L0000951	, L0000952	, L0000953	,				
	L0000954	, L0000955	, L0000956	, L0000957	, L0000958	,	
L0000959	, L0000960	, L0000961	,				
	L0000962	, L0000963	, L0000964	, L0000965	, L0000966	,	
L0000967	, L0000968	, L0000969	,				
	L0000970	, L0000971	, L0000972	, L0000973	, L0000974	,	
L0000975	, L0000976	, L0000977	,				
	L0000978	, L0000979	, L0000980	, L0000981	, L0000982	,	
L0000983	, L0000984	, L0000985	,				
	L0000986	, L0000987	, L0000988	, L0000989	, L0000990	,	
L0000991	, L0000992	, L0000993	,				
	L0000994	, L0000995	, L0000996	, L0000997	, L0000998	,	
L0000999	, L0001000	, L0001001	,				
	L0001002	, L0001003	, L0001004	, L0001005	, L0001006	,	
L0001007	, L0001008	, L0001009	,				
	L0001010	, L0001011	, L0001012	, L0001013	, L0001014	,	

```

L0001015      , L0001016      , L0001017      ,
                L0001018      , L0001019      , L0001020      , L0001021      , L0001022      ,
L0001023      , L0001024      , L0001025      ,
                L0001026      , L0001027      , L0001028      , L0001029      , L0001030      ,
L0001031      , L0001032      , L0001033      ,
                L0001034      , L0001035      , L0001036      , L0001037      , L0001038      ,
L0001039      , L0001040      , L0001041      ,
                L0001042      , L0001043      , L0001044      , L0001045      , L0001046      ,
L0001047      , L0001048      , L0001049      ,
                L0001050      , L0001051      , L0001052      ,
^ *** AERMOD - VERSION 2112 *** *** C:\Lakes\AERMOD View\13550 HRA\13550
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\*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* SOURCE IDs DEFINED AS URBAN SOURCES

\*\*\*

URBAN ID	URBAN POP	SOURCE IDs
-----	-----	-----
L0000926	2035210.	L0000922 , L0000923 , L0000924 , L0000925 ,
L0000929	, L0000927	, L0000928 ,
	, ,	
L0000935	L0000930 , L0000931 , L0000932 , L0000933 , L0000934 ,	
	, L0000936 , L0000937 ,	
L0000943	L0000938 , L0000939 , L0000940 , L0000941 , L0000942 ,	
	, L0000944 , L0000945 ,	
L0000951	L0000946 , L0000947 , L0000948 , L0000949 , L0000950 ,	
	, L0000952 , L0000953 ,	
L0000959	L0000954 , L0000955 , L0000956 , L0000957 , L0000958 ,	
	, L0000960 , L0000961 ,	
L0000967	L0000962 , L0000963 , L0000964 , L0000965 , L0000966 ,	
	, L0000968 , L0000969 ,	

L0000975      L0000970      , L0000971      , L0000972      , L0000973      , L0000974      ,  
                  , L0000976      , L0000977      ,  
  
 L0000983      L0000978      , L0000979      , L0000980      , L0000981      , L0000982      ,  
                  , L0000984      , L0000985      ,  
  
 L0000991      L0000986      , L0000987      , L0000988      , L0000989      , L0000990      ,  
                  , L0000992      , L0000993      ,  
  
 L0000999      L0000994      , L0000995      , L0000996      , L0000997      , L0000998      ,  
                  , L0001000      , L0001001      ,  
  
 L0001007      L0001002      , L0001003      , L0001004      , L0001005      , L0001006      ,  
                  , L0001008      , L0001009      ,  
  
 L0001015      L0001010      , L0001011      , L0001012      , L0001013      , L0001014      ,  
                  , L0001016      , L0001017      ,  
  
 L0001023      L0001018      , L0001019      , L0001020      , L0001021      , L0001022      ,  
                  , L0001024      , L0001025      ,  
  
 L0001031      L0001026      , L0001027      , L0001028      , L0001029      , L0001030      ,  
                  , L0001032      , L0001033      ,  
  
 L0001039      L0001034      , L0001035      , L0001036      , L0001037      , L0001038      ,  
                  , L0001040      , L0001041      ,  
  
 L0001047      L0001042      , L0001043      , L0001044      , L0001045      , L0001046      ,  
                  , L0001048      , L0001049      ,

L0001050      , L0001051      , L0001052      ,  
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 \*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* DISCRETE CARTESIAN RECEPTORS \*\*\*  
 (X-COORD, Y-COORD, ZELEV, ZHILL, ZFLAG)  
 (METERS)

( 457621.4, 3770252.1, 334.9, 334.9, 0.0); ( 457689.0,  
 3770249.4, 335.4, 335.4, 0.0);  
 ( 457745.6, 3770252.9, 336.0, 336.0, 0.0); ( 457745.4,  
 3770222.3, 335.9, 335.9, 0.0);  
 ( 457750.0, 3770137.3, 335.0, 335.0, 0.0); ( 457519.2,  
 3770256.5, 334.0, 334.0, 0.0);  
 ( 457414.4, 3770278.1, 334.0, 334.0, 0.0); ( 457617.4,





\*\*\* UPPER BOUND OF FIRST THROUGH FIFTH WIND SPEED

CATEGORIES \*\*\*

(METERS/SEC)

1.54, 3.09, 5.14, 8.23,

10.80,

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\*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* UP TO THE FIRST 24 HOURS OF METEOROLOGICAL

DATA \*\*\*

Surface file: FontanaADJU\FONT\_V9\_ADJU\FONT\_v9.SFC

Met Version: 16216

Profile file: FontanaADJU\FONT\_V9\_ADJU\FONT\_v9.PFL

Surface format: FREE

Profile format: FREE

Surface station no.: 3102

Name: UNKNOWN

Year: 2011

Upper air station no.: 3190

Name: UNKNOWN

Year: 2011

First 24 hours of scalar data

YR	MO	DY	JDY	HR	H0	U*	W*	DT/DZ	ZICNV	ZIMCH	M-O	LEN	Z0	BOWEN
ALBEDO	REF	WS	WD	HT	REF	TA	HT							

11	01	01	1	01	-18.5	0.194	-9.000	-9.000	-999.	204.	41.2	0.25	2.82
1.00	1.80	69.	9.1	276.4	5.5								
11	01	01	1	02	-23.8	0.239	-9.000	-9.000	-999.	281.	63.0	0.25	2.82
1.00	2.20	52.	9.1	275.4	5.5								
11	01	01	1	03	-18.5	0.194	-9.000	-9.000	-999.	205.	41.2	0.25	2.82
1.00	1.80	32.	9.1	275.4	5.5								
11	01	01	1	04	-1.4	0.067	-9.000	-9.000	-999.	57.	18.3	0.25	2.82
1.00	0.40	27.	9.1	274.2	5.5								
11	01	01	1	05	-18.6	0.194	-9.000	-9.000	-999.	204.	41.2	0.25	2.82
1.00	1.80	51.	9.1	274.2	5.5								
11	01	01	1	06	-29.7	0.296	-9.000	-9.000	-999.	387.	96.6	0.25	2.82
1.00	2.70	53.	9.1	274.2	5.5								
11	01	01	1	07	-24.0	0.239	-9.000	-9.000	-999.	282.	63.0	0.25	2.82

1.00	2.20	70.	9.1	274.2	5.5								
11 01 01	1 08	-8.4	0.138	-9.000	-9.000	-999.	127.	27.3	0.25	2.82			
0.54	1.30	72.	9.1	275.4	5.5								
11 01 01	1 09	44.3	0.280	0.571	0.005	147.	356.	-43.5	0.25	2.82			
0.32	2.20	67.	9.1	277.5	5.5								
11 01 01	1 10	122.7	0.264	0.952	0.005	247.	326.	-13.2	0.25	2.82			
0.25	1.80	83.	9.1	279.9	5.5								
11 01 01	1 11	179.8	0.316	1.733	0.005	1017.	426.	-15.4	0.25	2.82			
0.22	2.20	58.	9.1	282.0	5.5								
11 01 01	1 12	206.0	0.320	1.940	0.008	1244.	435.	-14.0	0.25	2.82			
0.21	2.20	115.	9.1	283.1	5.5								
11 01 01	1 13	132.6	0.214	1.733	0.009	1377.	243.	-6.5	0.25	2.82			
0.21	1.30	147.	9.1	284.2	5.5								
11 01 01	1 14	147.0	0.216	1.818	0.009	1431.	242.	-6.0	0.25	2.82			
0.23	1.30	219.	9.1	284.9	5.5								
11 01 01	1 15	104.0	0.208	1.633	0.009	1468.	228.	-7.6	0.25	2.82			
0.26	1.30	126.	9.1	285.4	5.5								
11 01 01	1 16	26.4	0.140	1.037	0.009	1477.	127.	-9.1	0.25	2.82			
0.35	0.90	151.	9.1	284.9	5.5								
11 01 01	1 17	-9.0	0.137	-9.000	-9.000	-999.	121.	24.9	0.25	2.82			
0.63	1.30	69.	9.1	283.1	5.5								
11 01 01	1 18	-33.4	0.342	-9.000	-9.000	-999.	481.	129.0	0.25	2.82			
1.00	3.10	81.	9.1	281.4	5.5								
11 01 01	1 19	-33.6	0.342	-9.000	-9.000	-999.	481.	128.9	0.25	2.82			
1.00	3.10	51.	9.1	279.9	5.5								
11 01 01	1 20	-23.6	0.239	-9.000	-9.000	-999.	287.	63.1	0.25	2.82			
1.00	2.20	77.	9.1	278.8	5.5								
11 01 01	1 21	-18.5	0.194	-9.000	-9.000	-999.	205.	41.2	0.25	2.82			
1.00	1.80	53.	9.1	277.5	5.5								
11 01 01	1 22	-23.7	0.239	-9.000	-9.000	-999.	281.	63.0	0.25	2.82			
1.00	2.20	58.	9.1	277.5	5.5								
11 01 01	1 23	-18.5	0.194	-9.000	-9.000	-999.	205.	41.2	0.25	2.82			
1.00	1.80	64.	9.1	277.5	5.5								
11 01 01	1 24	-4.5	0.094	-9.000	-9.000	-999.	74.	16.3	0.25	2.82			
1.00	0.90	52.	9.1	277.0	5.5								

First hour of profile data

YR	MO	DY	HR	HEIGHT	F	WDIR	WSPD	AMB_TMP	sigmaA	sigmaW	sigmaV
11	01	01	01	5.5	0	-999.	-99.00	276.5	99.0	-99.00	-99.00
11	01	01	01	9.1	1	69.	1.80	-999.0	99.0	-99.00	-99.00

F indicates top of profile (=1) or below (=0)

```

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\*\*\* MODELOPTs: RegDFault CONC ELEV URBAN ADJ\_U\*

\*\*\* THE ANNUAL AVERAGE CONCENTRATION VALUES AVERAGED OVER 5  
YEARS FOR SOURCE GROUP: ALL \*\*\*  
INCLUDING SOURCE(S): L0000922 , L0000923  
, L0000924 , L0000925 , L0000926 ,  
L0000927 , L0000928 , L0000929 , L0000930 , L0000931  
, L0000932 , L0000933 , L0000934 ,  
L0000935 , L0000936 , L0000937 , L0000938 , L0000939  
, L0000940 , L0000941 , L0000942 ,  
L0000943 , L0000944 , L0000945 , L0000946 , L0000947  
, L0000948 , L0000949 , . . . ,

\*\*\* DISCRETE CARTESIAN RECEPTOR POINTS

\*\*\*

**		** CONC OF DPM	IN MICROGRAMS/M**3
X-COORD (M)	Y-COORD (M)	CONC	X-COORD (M)
Y-COORD (M)	CONC		
457621.37	3770252.07	0.00047	457689.05
3770249.38	0.00054		
457745.61	3770252.92	0.00041	457745.44
3770222.28	0.00058		
457749.99	3770137.26	0.00081	457519.19
3770256.50	0.00022		
457414.41	3770278.09	0.00011	457617.38
3770107.43	0.00213		
457615.20	3770174.19	0.00184	457596.77
3770197.96	0.00083		
457663.13	3770249.07	0.00055	457757.01
3770115.08	0.00070		
457660.01	3769988.45	0.00041	457750.50
3770071.81	0.00080		
457749.68	3770190.82	0.00073	457490.11
3770394.76	0.00009		
457372.82	3770367.43	0.00007	457414.95
3770345.79	0.00009		
457414.95	3770323.77	0.00009	457414.58
3770303.28	0.00010		
457517.06	3770280.88	0.00019	457442.66
3770259.24	0.00013		
457592.74	3770080.61	0.00089	457922.83
3770071.30	0.00052		
457801.98	3770086.33	0.00055	457792.19
3769422.88	0.00004		

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\*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* THE SUMMARY OF MAXIMUM ANNUAL RESULTS  
AVERAGED OVER 5 YEARS \*\*\*

\*\* CONC OF DPM IN MICROGRAMS/M\*\*3  
\*\*

GROUP ID	NETWORK	AVERAGE CONC	RECEPTOR (XR, YR,
ZELEV, ZHILL, ZFLAG)	OF TYPE GRID-ID		
ALL	1ST HIGHEST VALUE IS	0.00213 AT ( 457617.38, 3770107.43,	
333.00,	333.00, 0.00) DC		
	2ND HIGHEST VALUE IS	0.00184 AT ( 457615.20, 3770174.19,	
334.00,	334.00, 0.00) DC		
	3RD HIGHEST VALUE IS	0.00089 AT ( 457592.74, 3770080.61,	
332.62,	332.62, 0.00) DC		
	4TH HIGHEST VALUE IS	0.00083 AT ( 457596.77, 3770197.96,	
334.00,	334.00, 0.00) DC		
	5TH HIGHEST VALUE IS	0.00081 AT ( 457749.99, 3770137.26,	
335.00,	335.00, 0.00) DC		
	6TH HIGHEST VALUE IS	0.00080 AT ( 457750.50, 3770071.81,	
334.00,	334.00, 0.00) DC		
	7TH HIGHEST VALUE IS	0.00073 AT ( 457749.68, 3770190.82,	
335.48,	335.48, 0.00) DC		
	8TH HIGHEST VALUE IS	0.00070 AT ( 457757.01, 3770115.08,	
334.96,	334.96, 0.00) DC		
	9TH HIGHEST VALUE IS	0.00058 AT ( 457745.44, 3770222.28,	
335.94,	335.94, 0.00) DC		
	10TH HIGHEST VALUE IS	0.00055 AT ( 457663.13, 3770249.07,	
335.05,	335.05, 0.00) DC		

\*\*\* RECEPTOR TYPES: GC = GRIDCART  
GP = GRIDPOLR  
DC = DISCCART  
DP = DISCPOLR

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\*\*\* MODELOPTs: RegDFAULT CONC ELEV URBAN ADJ\_U\*

\*\*\* Message Summary : AERMOD Model Execution \*\*\*

----- Summary of Total Messages -----

A Total of 0 Fatal Error Message(s)  
A Total of 7 Warning Message(s)  
A Total of 838 Informational Message(s)  
  
A Total of 43848 Hours Were Processed  
  
A Total of 40 Calm Hours Identified  
  
A Total of 798 Missing Hours Identified ( 1.82 Percent)

\*\*\*\*\* FATAL ERROR MESSAGES \*\*\*\*\*

\*\*\* NONE \*\*\*

\*\*\*\*\* WARNING MESSAGES \*\*\*\*\*

ME W186 382 MEOPEN: THRESH\_1MIN 1-min ASOS wind speed threshold used  
0.50  
ME W187 382 MEOPEN: ADJ\_U\* Option for Stable Low Winds used in AERMET  
  
MX W438 8800 METQA: Convective Velocity Data Out-of-Range. KURDAT =  
12010216  
MX W438 11536 METQA: Convective Velocity Data Out-of-Range. KURDAT =  
12042516  
MX W420 16779 METQA: Wind Speed Out-of-Range. KURDAT =  
12113003  
MX W450 26305 CHKDAT: Record Out of Sequence in Meteorological File at:  
15010101  
MX W450 26305 CHKDAT: Record Out of Sequence in Meteorological File at:  
1 year gap

\*\*\*\*\*

\*\*\* AERMOD Finishes Successfully \*\*\*

\*\*\*\*\*

**AVERAGE EMISSION FACTOR  
SAN BERNARDINO COUNTY 2022**

Speed	LHD1	MHD	HHD
0	0.356236	0.114036	0.01588
5	0.031861	0.052929	0.04181
25	0.011555	0.026796	0.01757

Speed	Weighted Average Emissions
0	0.09641
5	0.04250
25	0.01853

---

Emission Rates - 2022 Emission Factors

Truck Emission Rates						
Source	Trucks Per Day	VMT <sup>a</sup> (miles/day)	Truck Emission Rate <sup>b</sup> (grams/mile)	Truck Emission Rate <sup>b</sup> (grams/idle-hour)	Daily Truck Emissions <sup>c</sup> (grams/day)	Modeled Emission Rates (g/second)
On-Site Idling	23			0.0964	0.55	6.416E-06
On-Site Travel	46	3.30	0.0425		0.14	1.625E-06
Off-Site Travel	46	27.13	0.0185		0.50	5.819E-06
<sup>a</sup> Vehicle miles traveled are for modeled truck route only. <sup>b</sup> Emission rates determined using EMFAC 2017. Idle emission rates are expressed in grams per idle hour rather than grams per mile. <sup>c</sup> This column includes the total truck travel and truck idle emissions. For idle emissions this column includes emissions based on the assumption that each truck idles for 15 minutes.						



calendar_y	season_m	sub_area	vehicle_class	fuel	temperatu	relative_h	process	speed_tim	pollutant	emission_rate
2022	Annual	San Bernar	HHDT	Dsl	60	70	RUNEX	5	PM10	0.045082
2022	Annual	San Bernar	HHDT	Dsl	60	70	RUNEX	25	PM10	0.018946
2022	Annual	San Bernar	LHDT1	Dsl	60	70	RUNEX	5	PM10	0.070615
2022	Annual	San Bernar	LHDT1	Dsl	60	70	RUNEX	25	PM10	0.02561
2022	Annual	San Bernar	MHDT	Dsl	60	70	RUNEX	5	PM10	0.05814
2022	Annual	San Bernar	MHDT	Dsl	60	70	RUNEX	25	PM10	0.029434
2022	Annual	San Bernar	HHDT	Dsl			IDLEX		PM10	0.017119
2022	Annual	San Bernar	LHDT1	Dsl			IDLEX		PM10	0.789532
2022	Annual	San Bernar	MHDT	Dsl			IDLEX		PM10	0.125262

EMFAC2017 (v1.0.2) Emissions Inventory

Region Type: County

Region: SAN BERNARDINO COUNTY

Calendar Year: 2022

Season: Annual

Vehicle Classification: EMFAC2007 Categories

Units: miles/day for VMT, trips/day for Trips, tons/day for Emissions, 1000 gallons/day for Fuel Consumption

Region	Calendar Year	Vehicle Category	Model Year	Speed	Fuel	Population
San Berna	2022	HHDT	Aggregate	Aggregate	Gasoline	5.738391
San Berna	2022	HHDT	Aggregate	Aggregate	Diesel	14883.97
San Berna	2022	HHDT	Aggregate	Aggregate	Natural Gas	1157.768
San Berna	2022	LHDT1	Aggregate	Aggregate	Gasoline	14369.53
San Berna	2022	LHDT1	Aggregate	Aggregate	Diesel	11813.96
San Berna	2022	MHDT	Aggregate	Aggregate	Gasoline	1426.666
San Berna	2022	MHDT	Aggregate	Aggregate	Diesel	14492.29

HHDT% GAS/NG	0.0725
HHDT% DSL	0.9275
LHDT1% GAS	0.5488
LHDT1% DSL	0.4512
MHDT% GAS	0.08962
MHDT% DSL	0.91038

## **APPENDIX 2.3:**

### **RISK CALCULATIONS**

**Table 1**  
**Quantification of Carcinogenic Risks and Noncarcinogenic Hazards**  
**0-2 Age Bin Exposure Scenario - Construction Activity**

Source	Mass GLC		Weight Fraction	Contaminant	Carcinogenic Risk				Noncarcinogenic Hazards/ Toxicological Endpoints**									
	(ug/m <sup>3</sup> )	(mg/m <sup>3</sup> )			URF	CPF	DOSE	RISK	REL	RfD	RESP	CNS/PNS	CV/BL	IMMUN	KIDN	GI/LV	REPRO	EYES
					(ug/m <sup>3</sup> ) <sup>-1</sup>	(mg/kg/day) <sup>-1</sup>	(mg/kg-day)		(ug/m <sup>3</sup> )	(mg/kg/day)								
( a )	( b )	( c )	( d )	( e )	( f )	( g )	( h )	( i )	( j )	( k )	( l )	( m )	( n )	( o )	( p )	( q )	( r )	( s )
	0.08970	8.97E-05	1.00E+00	Diesel Particulate	3.0E-04	1.1E+00	7.1E-05	6.9E-06	5.0E+00	1.4E-03	1.8E-02							
TOTAL					6.9E-06				1.8E-02		0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00

6.89

\*\* Key to Toxicological Endpoints

RESP      Respiratory System  
CNS/PNS    Central/Peripheral Nervous System  
CV/BL      Cardiovascular/Blood System  
IMMUN      Immune System  
KIDN        Kidney  
GI/LV        Gastrointestinal System/Liver  
REPRO      Reproductive System (e.g. teratogenic and developmental effects)  
EYES        Eye irritation and/or other effects

Note:      Exposure factors used to calculate contaminant intake

exposure frequency (days/year)	264
exposure duration (years)	0.76
inhalation rate (L/kg-day)	1090
inhalation absorption factor	1
averaging time (years)	70
fraction of time at home	0.85
age sensitivity factor (0 to 2 years old)	10

**Table 1**  
**Quantification of Carcinogenic Risks and Noncarcinogenic Hazards**  
**-0.25 to 0 Age Bin Exposure Scenario**

Source	Mass GLC		Weight Fraction	Contaminant	Carcinogenic Risk				Noncarcinogenic Hazards/ Toxicological Endpoints**									
	(ug/m <sup>3</sup> )	(mg/m <sup>3</sup> )			URF	CPF	DOSE	RISK	REL	RfD	RESP	CNS/PNS	CV/BL	IMMUN	KIDN	GI/LV	REPRO	EYES
					(ug/m <sup>3</sup> ) <sup>-1</sup>	(mg/kg/day) <sup>-1</sup>	(mg/kg-day)		(ug/m <sup>3</sup> )	(mg/kg/day)								
( a )	( b )	( c )	( d )	( e )	( f )	( g )	( h )	( i )	( j )	( k )	( l )	( m )	( n )	( o )	( p )	( q )	( r )	( s )
	0.00081	8.10E-07	1.00E+00	Diesel Particulate	3.0E-04	1.1E+00	2.8E-07	8.9E-09	5.0E+00	1.4E-03	1.6E-04							
TOTAL								8.9E-09			1.6E-04	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00

\*\* Key to Toxicological Endpoints

RESP      Respiratory System  
CNS/PNS    Central/Peripheral Nervous System  
CV/BL      Cardiovascular/Blood System  
IMMUN      Immune System  
KIDN        Kidney  
GI/LV        Gastrointestinal System/Liver  
REPRO      Reproductive System (e.g. teratogenic and developmental effects)  
EYES        Eye irritation and/or other effects

Note:      Exposure factors used to calculate contaminant intake

exposure frequency (days/year)	350
exposure duration (years)	0.25
inhalation rate (L/kg-day)	361
inhalation absorption factor	1
averaging time (years)	70
fraction of time at home	0.85
age sensitivity factor (age third trimester)	10

Table 2  
Quantification of Carcinogenic Risks and Noncarcinogenic Hazards  
0-2 Age Bin Exposure Scenario

Source	Mass GLC		Weight Fraction	Contaminant	Carcinogenic Risk				Noncarcinogenic Hazards/ Toxicological Endpoints**									
	(ug/m <sup>3</sup> )	(mg/m <sup>3</sup> )			URF	CPF	DOSE	RISK	REL	RfD	RESP	CNS/PNS	CV/BL	IMMUN	KIDN	GI/LV	REPRO	EYES
					(ug/m <sup>3</sup> ) <sup>-1</sup>	(mg/kg/day) <sup>-1</sup>	(mg/kg-day)		(ug/m <sup>3</sup> )	(mg/kg/day)								
( a )	( b )	( c )	( d )	( e )	( f )	( g )	( h )	( i )	( j )	( k )	( l )	( m )	( n )	( o )	( p )	( q )	( r )	( s )
	0.00081	8.10E-07	1.00E+00	Diesel Particulate	3.0E-04	1.1E+00	8.5E-07	2.2E-07	5.0E+00	1.4E-03	1.6E-04							
TOTAL					2.2E-07				1.6E-04				0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00

\*\* Key to Toxicological Endpoints

RESP      Respiratory System  
CNS/PNS    Central/Peripheral Nervous System  
CV/BL      Cardiovascular/Blood System  
IMMUN      Immune System  
KIDN        Kidney  
GI/LV        Gastrointestinal System/Liver  
REPRO      Reproductive System (e.g. teratogenic and developmental effects)  
EYES        Eye irritation and/or other effects

Note:      Exposure factors used to calculate contaminant intake

exposure frequency (days/year)	350
exposure duration (years)	2
inhalation rate (L/kg-day)	1090
inhalation absorption factor	1
averaging time (years)	70
fraction of time at home	0.85
age sensitivity factor (0 to 2 years old)	10

**Table 3**  
**Quantification of Carcinogenic Risks and Noncarcinogenic Hazards**  
**2-16 Age Bin Exposure Scenario**

Source	Mass GLC		Weight Fraction	Contaminant	Carcinogenic Risk				Noncarcinogenic Hazards/ Toxicological Endpoints**									
	(ug/m <sup>3</sup> )	(mg/m <sup>3</sup> )			URF	CPF	DOSE	RISK	REL	RfD	RESP	CNS/PNS	CV/BL	IMMUN	KIDN	GI/LV	REPRO	EYES
					(ug/m <sup>3</sup> ) <sup>-1</sup>	(mg/kg/day) <sup>-1</sup>	(mg/kg-day)		(ug/m <sup>3</sup> )	(mg/kg/day)								
( a )	( b )	( c )	( d )	( e )	( f )	( g )	( h )	( i )	( j )	( k )	( l )	( m )	( n )	( o )	( p )	( q )	( r )	( s )
	0.00081	8.10E-07	1.00E+00	Diesel Particulate	3.0E-04	1.1E+00	4.4E-07	2.0E-07	5.0E+00	1.4E-03	1.6E-04							
TOTAL								2.0E-07			1.6E-04	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00

\*\* Key to Toxicological Endpoints

RESP      Respiratory System  
CNS/PNS    Central/Peripheral Nervous System  
CV/BL      Cardiovascular/Blood System  
IMMUN      Immune System  
KIDN        Kidney  
GI/LV        Gastrointestinal System/Liver  
REPRO      Reproductive System (e.g. teratogenic and developmental effects)  
EYES        Eye irritation and/or other effects

Note:      Exposure factors used to calculate contaminant intake

exposure frequency (days/year)	350
exposure duration (years)	14
inhalation rate (L/kg-day)	572
inhalation absorption factor	1
averaging time (years)	70
fraction of time at home	0.72
age sensitivity factor (ages 2 to 16 years)	3

**Table 4**  
**Quantification of Carcinogenic Risks and Noncarcinogenic Hazards**  
**16-30 Age Bin Exposure Scenario**

Source	Mass GLC		Weight Fraction	Contaminant	Carcinogenic Risk				Noncarcinogenic Hazards/ Toxicological Endpoints**									
	(ug/m <sup>3</sup> )	(mg/m <sup>3</sup> )			URF	CPF	DOSE	RISK	REL	RfD	RESP	CNS/PNS	CV/BL	IMMUN	KIDN	GI/LV	REPRO	EYES
					(ug/m <sup>3</sup> ) <sup>-1</sup>	(mg/kg/day) <sup>-1</sup>	(mg/kg-day)		(ug/m <sup>3</sup> )	(mg/kg/day)								
( a )	( b )	( c )	( d )	( e )	( f )	( g )	( h )	( i )	( j )	( k )	( l )	( m )	( n )	( o )	( p )	( q )	( r )	( s )
	0.00081	8.10E-07	1.00E+00	Diesel Particulate	3.0E-04	1.1E+00	2.0E-07	3.1E-08	5.0E+00	1.4E-03	1.6E-04							
TOTAL					3.1E-08				1.6E-04				0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00

0.03

\*\* Key to Toxicological Endpoints

RESP        Respiratory System  
CNS/PNS    Central/Peripheral Nervous System  
CV/BL      Cardiovascular/Blood System  
IMMUN      Immune System  
KIDN        Kidney  
GI/LV        Gastrointestinal System/Liver  
REPRO      Reproductive System (e.g. teratogenic and developmental effects)  
EYES        Eye irritation and/or other effects

Note:        Exposure factors used to calculate contaminant intake

exposure frequency (days/year)	350
exposure duration (years)	14
inhalation rate (L/kg-day))	261
inhalation absorption factor	1
averaging time (years)	70
fraction of time at home	0.73
age sensitivity factor (ages 16 to 30 years old)	1

**Total Risk for All Age Bins (per million)        0.46**



**Table 5**  
**Quantification of Carcinogenic Risks and Noncarcinogenic Risks**  
**25-Year Worker Exposure Scenario**

	Source	Mass GLC		Weight Fraction	Contaminant	Carcinogenic Risk				Noncarcinogenic Hazards/ Toxicological Endpoints**									
		(ug/m <sup>3</sup> )	(mg/m <sup>3</sup> )			URF	CPF	DOSE	RISK	REL	RfD	RESP	CNS/PNS	CV/BL	IMMUN	KIDN	GI/LV	REPRO	EYES
	(a)	(b)	(c)	(d)	(e)	(ug/m <sup>3</sup> ) <sup>-1</sup>	(mg/kg/day) <sup>-1</sup>	(mg/kg-day)	(i)	(ug/m <sup>3</sup> )	(mg/kg/day)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)
1	Diesel Particulates	2.13E-03	2.13E-06	1.00E+00	Diesel Particulate	3.0E-04	1.1E+00	3.4E-07	1.3E-07	5.0E+00	1.4E-03	4.3E-04							
TOTAL									1.4E-07 0.14			4.6E-04	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00

\*\* Key to Toxicological Endpoints

Note:

Exposure factors used to calculate contaminant intake

RESP	Respiratory System	exposure frequency (days/year)	250
CNS/PNS	Central/Peripheral Nervous System	exposure duration (years)	25
CV/BL	Cardiovascular/Blood System	inhalation rate (L/kg-day))	230
IMMUN	Immune System	inhalation absorption factor	1
KIDN	Kidney	averaging time (years)	70
GI/LV	Gastrointestinal System/Liver		
REPRO	Reproductive System (e.g. teratogenic and developmental effects)		
EYES	Eye irritation and/or other effects		

**Table 6**  
**Quantification of Carcinogenic Risks and Noncarcinogenic Risks**  
**9-Year School Child Exposure Scenario**

	Source	Mass GLC		Weight Fraction	Contaminant	Carcinogenic Risk				Noncarcinogenic Hazards/ Toxicological Endpoints**									
		(ug/m <sup>3</sup> )	(mg/m <sup>3</sup> )			URF	CPF	DOSE	RISK	REL	RfD	RESP	CNS/PNS	CV/BL	IMMUN	KIDN	GI/LV	REPRO	EYES
	(a)	(b)	(c)	(d)	(e)	(ug/m <sup>3</sup> ) <sup>-1</sup>	(mg/kg/day) <sup>-1</sup>	(mg/kg-day)	(i)	(ug/m <sup>3</sup> )	(mg/kg/day)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)
1	Diesel Particulates	2.20E-04	2.20E-07	1.00E+00	Diesel Particulate	3.0E-04	1.1E+00	6.2E-08	2.5E-08	5.0E+00	1.4E-03	4.4E-05							
TOTAL									4.6E-08 0.05			8.0E-05	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00

\*\* Key to Toxicological Endpoints

Note:

Exposure factors used to calculate contaminant intake

RESP	Respiratory System	exposure frequency (days/year)	180
CNS/PNS	Central/Peripheral Nervous System	exposure duration (years)	9
CV/BL	Cardiovascular/Blood System	inhalation rate (L/kg-day))	572
IMMUN	Immune System	inhalation absorption factor	1
KIDN	Kidney	averaging time (years)	70
GI/LV	Gastrointestinal System/Liver	age sensitivity factor (ages 4-13)	3
REPRO	Reproductive System (e.g. teratogenic and developmental effects)		
EYES	Eye irritation and/or other effects		

**Table 3**  
**Quantification of Carcinogenic Risks and Noncarcinogenic Hazards**  
**2-16 Age Bin Exposure Scenario**

Source	Mass GLC		Weight Fraction	Contaminant	Carcinogenic Risk				Noncarcinogenic Hazards/ Toxicological Endpoints**									
	(ug/m <sup>3</sup> )	(mg/m <sup>3</sup> )			URF	CPF	DOSE	RISK	REL	RfD	RESP	CNS/PNS	CV/BL	IMMUN	KIDN	GI/LV	REPRO	EYES
					(ug/m <sup>3</sup> ) <sup>-1</sup>	(mg/kg/day) <sup>-1</sup>	(mg/kg-day)		(ug/m <sup>3</sup> )	(mg/kg/day)								
( a )	( b )	( c )	( d )	( e )	( f )	( g )	( h )	( i )	( j )	( k )	( l )	( m )	( n )	( o )	( p )	( q )	( r )	( s )
	0.00054	5.40E-07	1.00E+00	Diesel Particulate	3.0E-04	1.1E+00	3.0E-07	1.3E-07	5.0E+00	1.4E-03	1.1E-04							
TOTAL								1.3E-07			1.1E-04	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00

\*\* Key to Toxicological Endpoints

RESP      Respiratory System  
CNS/PNS    Central/Peripheral Nervous System  
CV/BL      Cardiovascular/Blood System  
IMMUN      Immune System  
KIDN        Kidney  
GI/LV        Gastrointestinal System/Liver  
REPRO      Reproductive System (e.g. teratogenic and developmental effects)  
EYES        Eye irritation and/or other effects

Note:      Exposure factors used to calculate contaminant intake

exposure frequency (days/year)	350
exposure duration (years)	14
inhalation rate (L/kg-day)	572
inhalation absorption factor	1
averaging time (years)	70
fraction of time at home	0.72
age sensitivity factor (ages 2 to 16 years)	3

**Table 4**  
**Quantification of Carcinogenic Risks and Noncarcinogenic Hazards**  
**16-30 Age Bin Exposure Scenario**

Source	Mass GLC		Weight Fraction	Contaminant	Carcinogenic Risk				Noncarcinogenic Hazards/ Toxicological Endpoints**									
	(ug/m <sup>3</sup> )	(mg/m <sup>3</sup> )			URF	CPF	DOSE	RISK	REL	RfD	RESP	CNS/PNS	CV/BL	IMMUN	KIDN	GI/LV	REPRO	EYES
					(ug/m <sup>3</sup> ) <sup>-1</sup>	(mg/kg/day) <sup>-1</sup>	(mg/kg-day)		(ug/m <sup>3</sup> )	(mg/kg/day)								
( a )	( b )	( c )	( d )	( e )	( f )	( g )	( h )	( i )	( j )	( k )	( l )	( m )	( n )	( o )	( p )	( q )	( r )	( s )
	0.00054	5.40E-07	1.00E+00	Diesel Particulate	3.0E-04	1.1E+00	1.4E-07	2.1E-08	5.0E+00	1.4E-03	1.1E-04							
TOTAL					2.1E-08				1.1E-04				0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00

0.02

\*\* Key to Toxicological Endpoints

RESP        Respiratory System  
CNS/PNS    Central/Peripheral Nervous System  
CV/BL       Cardiovascular/Blood System  
IMMUN      Immune System  
KIDN        Kidney  
GI/LV        Gastrointestinal System/Liver  
REPRO      Reproductive System (e.g. teratogenic and developmental effects)  
EYES        Eye irritation and/or other effects

Note:        Exposure factors used to calculate contaminant intake

exposure frequency (days/year)	350
exposure duration (years)	14
inhalation rate (L/kg-day))	261
inhalation absorption factor	1
averaging time (years)	70
fraction of time at home	0.73
age sensitivity factor (ages 16 to 30 years old)	1

**Total Risk for All Age Bins (per million)        0.02**

**Table 1 - R26**  
**Quantification of Carcinogenic Risks and Noncarcinogenic Hazards**  
**0-2 Age Bin Exposure Scenario - Construction Activity**

Source	Mass GLC		Weight Fraction	Contaminant	Carcinogenic Risk				Noncarcinogenic Hazards/ Toxicological Endpoints**									
	(ug/m <sup>3</sup> )	(mg/m <sup>3</sup> )			URF	CPF	DOSE	RISK	REL	RfD	RESP	CNS/PNS	CV/BL	IMMUN	KIDN	GI/LV	REPRO	EYES
					(ug/m <sup>3</sup> ) <sup>-1</sup>	(mg/kg/day) <sup>-1</sup>	(mg/kg-day)		(ug/m <sup>3</sup> )	(mg/kg/day)								
( a )	( b )	( c )	( d )	( e )	( f )	( g )	( h )	( i )	( j )	( k )	( l )	( m )	( n )	( o )	( p )	( q )	( r )	( s )
	0.00057	5.70E-07	1.00E+00	Diesel Particulate	3.0E-04	1.1E+00	4.5E-07	4.4E-08	5.0E+00	1.4E-03	1.1E-04							
TOTAL								4.4E-08			1.1E-04	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00

0.04

\*\* Key to Toxicological Endpoints

RESP      Respiratory System  
CNS/PNS    Central/Peripheral Nervous System  
CV/BL      Cardiovascular/Blood System  
IMMUN      Immune System  
KIDN        Kidney  
GI/LV        Gastrointestinal System/Liver  
REPRO      Reproductive System (e.g. teratogenic and developmental effects)  
EYES        Eye irritation and/or other effects

Note:      Exposure factors used to calculate contaminant intake

exposure frequency (days/year)	264
exposure duration (years)	0.76
inhalation rate (L/kg-day)	1090
inhalation absorption factor	1
averaging time (years)	70
fraction of time at home	0.85
age sensitivity factor (0 to 2 years old)	10

**Table 2 - R26**  
**Quantification of Carcinogenic Risks and Noncarcinogenic Hazards**  
**2-16 Age Bin Exposure Scenario**

Source	Mass GLC		Weight Fraction	Contaminant	Carcinogenic Risk				Noncarcinogenic Hazards/ Toxicological Endpoints**										
	(ug/m <sup>3</sup> )	(mg/m <sup>3</sup> )			URF	CPF	DOSE	RISK	REL	RfD	RESP	CNS/PNS	CV/BL	IMMUN	KIDN	GI/LV	REPRO	EYES	
					(ug/m <sup>3</sup> ) <sup>-1</sup>	(mg/kg/day) <sup>-1</sup>	(mg/kg-day)		(ug/m <sup>3</sup> )	(mg/kg/day)									
( a )	( b )	( c )	( d )	( e )	( f )	( g )	( h )	( i )	( j )	( k )	( l )	( m )	( n )	( o )	( p )	( q )	( r )	( s )	
	0.00004	4.00E-08	1.00E+00	Diesel Particulate	3.0E-04	1.1E+00	2.2E-08	1.0E-08	5.0E+00	1.4E-03	8.0E-06								
TOTAL					1.0E-08				8.0E-06				0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00

9.95E-03

\*\* Key to Toxicological Endpoints

RESP      Respiratory System  
CNS/PNS    Central/Peripheral Nervous System  
CV/BL      Cardiovascular/Blood System  
IMMUN      Immune System  
KIDN        Kidney  
GI/LV        Gastrointestinal System/Liver  
REPRO      Reproductive System (e.g. teratogenic and developmental effects)  
EYES        Eye irritation and/or other effects

Note:      Exposure factors used to calculate contaminant intake

exposure frequency (days/year)	350
exposure duration (years)	14
inhalation rate (L/kg-day)	572
inhalation absorption factor	1
averaging time (years)	70
fraction of time at home	0.72
age sensitivity factor (ages 2 to 16 years)	3

**Table 3 - R26**  
**Quantification of Carcinogenic Risks and Noncarcinogenic Hazards**  
**16-30 Age Bin Exposure Scenario**

Source	Mass GLC		Weight Fraction	Contaminant	Carcinogenic Risk				Noncarcinogenic Hazards/ Toxicological Endpoints**									
	(ug/m <sup>3</sup> )	(mg/m <sup>3</sup> )			URF	CPF	DOSE	RISK	REL	RfD	RESP	CNS/PNS	CV/BL	IMMUN	KIDN	GI/LV	REPRO	EYES
					(ug/m <sup>3</sup> ) <sup>-1</sup>	(mg/kg/day) <sup>-1</sup>	(mg/kg-day)		(ug/m <sup>3</sup> )	(mg/kg/day)								
( a )	( b )	( c )	( d )	( e )	( f )	( g )	( h )	( i )	( j )	( k )	( l )	( m )	( n )	( o )	( p )	( q )	( r )	( s )
	0.00004	4.00E-08	1.00E+00	Diesel Particulate	3.0E-04	1.1E+00	1.0E-08	1.5E-09	5.0E+00	1.4E-03	8.0E-06							
TOTAL					1.5E-09				8.0E-06			0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00	0.0E+00

0.0015

\*\* Key to Toxicological Endpoints

RESP      Respiratory System  
CNS/PNS    Central/Peripheral Nervous System  
CV/BL      Cardiovascular/Blood System  
IMMUN      Immune System  
KIDN        Kidney  
GI/LV        Gastrointestinal System/Liver  
REPRO      Reproductive System (e.g. teratogenic and developmental effects)  
EYES        Eye irritation and/or other effects

Note:      Exposure factors used to calculate contaminant intake

exposure frequency (days/year)	350
exposure duration (years)	14
inhalation rate (L/kg-day))	261
inhalation absorption factor	1
averaging time (years)	70
fraction of time at home	0.73
age sensitivity factor (ages 16 to 30 years old)	1

**Total Risk for All Age Bins (per million)      0.06**

## **APPENDIX 3.1:**

### **BOYLE WAREHOUSE HEALTH RISK ASSESSMENT**



# MEMO

**TO:** Rina Leung, Associate Planner, City of Fontana, California

**FROM:** Michael B. Rogozen, D. Env.  
Victor Paitimusa, Associate Planner

**DATE:** November 14, 2019

**PROJECT #:** 7028

**RE:** Air Toxics Health Risk Assessment for the Boyle Warehouse Project, Fontana, California

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## 1.0 BACKGROUND

This health risk assessment (HRA) was conducted in support of an Addendum to the Certified Southwest Industrial Park (SWIP) Specific Plan Program Environmental Impact Report (PEIR) prepared under the California Environmental Quality Act (CEQA). The addendum covers a specific project under the SWIP: a proposed warehouse facility at 15950 Boyle Avenue, in Fontana, California. It is in a predominantly industrial area, with residential neighborhoods on the east and south. The facility will be visited at all hours of the day by diesel trucks. As the California Air Resources Board (ARB) has formally designated particulate emissions from diesel engines as a toxic air contaminant (TAC),<sup>1</sup> this HRA focuses on diesel particulate matter (DPM) emissions from diesel trucks used in freight service.

### 1.1 Proposed Project

The proposed project consists of the development of a 126,655-square-foot warehouse/manufacturing facility, located on a 5.54-acre parcel. The proposed warehouse building would include 3,000 square feet of built-out office improvements on the ground floor and a 3,000-square-foot mezzanine floor for additional office space.

The site will provide adequate ingress and egress, parking, and loading areas for passenger vehicles, tractor/trailer vehicles, and pedestrians. Circulation and street improvements will be provided along Boyle Avenue through roadway widening improvements and two driveway approaches. Four catch basins and an underground storage chamber will be provided on site for treatment of stormwater runoff.

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1 The Toxic Air Contaminant Identification Process: Toxic Air Contaminant Emissions from Diesel-fueled Engines. Fact Sheet. California Air Resources Board, Sacramento, CA. October 1998. <https://www.arb.ca.gov/toxics/dieseltac/factsht1.pdf>.

Eighty-five parking stalls would be provided on-site, with 81 spaces dedicated for standard use and four handicapped-accessible spaces. An asphalt concrete truck yard area would be provided in the northern portion of the project site. The warehouse building would include 14 dock doors, all on the north side, facing the I-10 Freeway.

Access to the site would be via driveways off of Boyle Avenue at the southwest and southeast site corners. Truck access and egress would be from either entrance. The proposed building would be operational 24 hours per day, seven days per week. Operation of the proposed project would be conducted within the enclosed building, with the exception of truck traffic, parking, and loading/unloading of trucks onsite. The number of truck trips per day is not known. However, for the purpose of preparing this HRA, 72 arrivals and 72 departures were assumed.<sup>2</sup>

## 1.2 Scope of the Health Risk Assessment

The purpose of this HRA was to address partially question III.c of the CEQA Guidelines: “Would the project expose sensitive receptors to substantial pollutant concentrations?” Exposure to criteria pollutants is discussed in **Section 4.3.3** of the Addendum. This HRA expands the discussion to exposure to diesel exhaust, which has been determined by the State of California to be a toxic air contaminant.<sup>3</sup> HRAs frequently cover cancer and noncancer health risks. As will be discussed below, this analysis was limited to cancer risk. The objective was to determine whether the increase in maximum individual cancer risk (MICR) would exceed the CEQA significance threshold established by the South Coast Air Quality Management District (SCAQMD). That threshold is a risk increase of 10 in one million ( $10 \times 10^{-6}$ ).<sup>4</sup>

## 2.0 METHODS

### 2.1 Overview

The HRA generally followed procedures prescribed by the SCAQMD for analyzing cancer risks from mobile source diesel idling emissions.<sup>5</sup> Although “Idling” is in the title, the guidance covers emissions from truck traffic on local streets and/or arterials, onsite truck movement, and onsite truck idling.<sup>6</sup> Those three activities are included in this HRA. The analysis consisted of three steps:

- Estimation of emissions;
- Dispersion modeling to calculate ground-level concentrations of diesel particulate matter (DPM) in the vicinity of the site and along truck routes; and
- Calculation of individual cancer risk.

<sup>2</sup> Estimation of truck trips is discussed in Section 2.2.

<sup>3</sup> The Toxic Air Contaminant Identification Process: Toxic Air Contaminant Emissions from Diesel-fueled Engines. Fact Sheet. California Air Resources Board, Sacramento, CA. October 1998. <https://www.arb.ca.gov/toxics/dieseltac/factsht1.pdf>.

<sup>4</sup> SCAQMD Air Quality Significance Thresholds. South Coast Air Quality Management District. March. <http://www.aqmd.gov/docs/default-source/ceqa/handbook/scaqmd-air-quality-significance-thresholds.pdf?sfvrsn=2>.

<sup>5</sup> Health Risk Assessment Guidance for Analyzing Cancer Risks from Mobile Source Idling Emissions for CEQA Air Quality Analysis. South Coast Air Quality Management District, Diamond Bar, CA. August 2003.

<sup>6</sup> The guidance also includes transportation refrigeration units and auxiliary power units, but those devices were assumed not to be included in the proposed project.

Additional guidance was obtained from a review of a recent HRA in the project area<sup>7</sup> and from SCAQMD comments on health risk assessments reported in various CEQA documents.

## 2.2 Emissions Estimates

Following ARB guidance,<sup>8</sup> the analysis used particulate matter with an aerodynamic diameter less than 10 micrometers (PM<sub>10</sub>) to represent DPM. This is a conservative approach, since about 90% of DPM emissions are actually less than 2.5 micrometers (PM<sub>2.5</sub>),<sup>9</sup> and PM<sub>2.5</sub> emissions are always less than or equal to those of PM<sub>10</sub>.

### 2.2.1 Number of Daily Diesel Trucks

For a similar project, the SCAQMD recommended a total vehicle daily trip rate of 1.68 vehicles (passenger cars, freight trucks, delivery vehicles, etc.) per thousand square feet of warehouse space.<sup>10</sup> For the Boyle Warehouse project, the total vehicle trip rate would be 212. The HRA considered three categories of freight trucks: light heavy duty, medium heavy duty, and heavy, heavy duty. **Table 2.2-1** shows their definitions and percentages of the total traffic generated.

**Table 2.2-1**  
**DEFINITIONS OF TRUCK CATEGORIES**

Category	Axles	EMFAC2014 Class	Fraction of Total Vehicles <sup>a</sup>	No. Trucks per Day
Light	2	LHD1 & LHD2	0.0645	13.69
Medium	3	MHDT	0.0865	18.36
Heavy	4 or more	HHDT	0.23	48.82

<sup>a</sup>Fractions of total vehicles are from Air Quality, Health Risk, and Greenhouse Gas Analysis Report. Santa Ana Avenue and Citrus Avenue Warehouse Project. City of Fontana, San Bernardino County, California. Prepared by First Carbon Solutions, San Bernardino, CA for Seefried Industrial Properties, Inc., Phoenix, AZ. January 6, 2017.

The percentages of the light-, medium- and heavy-heavy duty trucks that use diesel fuel were assumed to be 57.8%, 86.7%, and 99.1%, respectively.<sup>11</sup> As a result, the total number of diesel trucks traveling to and from the facility was estimated to be 72.

### 2.2.2 Scheduling

For modeling purposes, it was assumed that each of the 72 trucks per day would arrive on site, go to a loading dock, be unloaded and/or loaded, and depart from the site. The 72 trip cycles were distributed fairly evenly through the day. For each hour of the day the number of trucks in each of

7 Air Quality, Health Risk, and Greenhouse Gas Analysis Report. Santa Ana Avenue and Citrus Avenue Warehouse Project. City of Fontana, San Bernardino County, California. Prepared by First Carbon Solutions, San Bernardino, CA for Seefried Industrial Properties, Inc., Phoenix, AZ. January 6, 2016.

8 HARP Users Guide. Appendix K. Risk Assessment Procedures to Evaluate Particulate Emissions from Diesel-Fueled Engines. California Air Resources Board. 2003. <https://www.arb.ca.gov/toxics/harp/docs/userguide/appendixK.pdf>.

9 Overview: Diesel Exhaust and Health. California Air Resources Board. April 12, 2016. <https://www.arb.ca.gov/research/diesel/diesel-health.htm>.

10 Letter from Jillian Wong, Planning and Rules Manager, South Coast Air Quality Management District, Diamond Bar, CA to Nikki Cavazos, Assistant Planner, City of Rancho Cucamonga, CA re Mitigated Negative Declaration (MND) for the Proposed Hickory Warehouse. January 27, 2017.

11 Air Quality, Health Risk, and Greenhouse Gas Analysis Report. Santa Ana Avenue and Citrus Avenue Warehouse Project. City of Fontana, San Bernardino County, California. Prepared by First Carbon Solutions, San Bernardino, CA for Seefried Industrial Properties, Inc., Phoenix, AZ. January 6, 2016.

the activities was estimated. It was also assumed that the departing trucks would be in the idling mode for 15 minutes during their hour of departure. This is a conservative assumption because SWIP PEIR mitigation measure 4.2-2c limits idling to five minutes.

### 2.2.3 Emission Factors

For trucks in motion (on streets to and from the facility and traveling on the project site), emission factors (in grams per mile) were obtained from the ARB's EMFAC 2017 Web Database.<sup>12</sup> Onsite and on-road vehicle speeds were assumed to be 5 and 25 miles per hour, respectively. Emission factors for each truck class were obtained for 2021 through 2050 and then averaged. **Table 2.2-2** summarizes the emission factor data.

**Table 2.2-2**  
**DIESEL TRUCK EMISSION FACTORS**

Vehicle Class	Emissions (g/mile)	
	On-road (25 mph)	Onsite (5 mph)
Light Heavy Duty	0.0152	0.0289
Medium Heavy Duty	0.00341	0.0115
Heavy, Heavy Duty	0.00698	0.0181

Idling emissions for the light-, medium- and heavy-heavy duty trucks were 0.472, 0.018, and 0.004 grams per idle hour, respectively.<sup>13</sup> Trucks were assumed to idle for a maximum of 15 minutes per hour, so each of these rates was divided by four.

Emissions while the trucks are moving were estimated by multiplying the emission factors by vehicle miles traveled on the project site or on streets between the facility and the Citrus Avenue onramps and offramps of the I-10 freeway. The emission rates were converted to the units needed by the dispersion model, which are grams per second per square meter. (See **Section 2.3.1.**)

## 2.3 Dispersion Modeling

The U.S. Environmental Protection Agency's AERMOD model, Version 16216r, was used for the dispersion modeling. Inputs to the model were entered through the Air Dispersion Modeling and Risk Assessment Tool (ADMRT) of the ARB's Hotspots Analysis and Report Program (HARP2).<sup>14</sup> After ADMRT set up an input file, some inputs were revised directly in that file.

### 2.3.1 Sources

Road segments between the project site and I-15 were modeled as discrete "line sources." **Figure 1** shows the ten line source segments.<sup>15</sup> They were as follows:

12 California Air Resources Board. EMFAC2017 Web Database. Available at [https://www.arb.ca.gov/emfac/2017/?\\_ga=2.140099124.605539534.1572938781-2103175871.1572938781](https://www.arb.ca.gov/emfac/2017/?_ga=2.140099124.605539534.1572938781-2103175871.1572938781).

13 Air Quality, Health Risk, and Greenhouse Gas Analysis Report. Santa Ana Avenue and Citrus Avenue Warehouse Project. City of Fontana, San Bernardino County, California. Prepared by First Carbon Solutions, San Bernardino, CA for Seefried Industrial Properties, Inc., Phoenix, AZ. January 6, 2016.

14 User Manual for the Hotspots Analysis and Reporting Program Air Dispersion Modeling and Risk Assessment Tool, Version 2. California Air Resources Board. Transportation and Toxics Division, Sacramento, CA. March 17, 2015.

15 Figures are in **Attachment 1**.

**ARR01E:** Eastbound arrival on the I-10 via the southbound I-10 offramp at Citrus Avenue, south on Citrus Avenue to Slover Avenue.

**ARR01W:** Westbound arrival on the I-10 via the southbound I-10 offramp at Citrus Avenue, south on Citrus Avenue to Slover Avenue.

**ARR02:** Westbound on Slover Avenue from Citrus Avenue to Catawba Avenue.

**ARR03:** Northbound on Catawba Avenue from Slover Avenue to Boyle Avenue.

**ARR04:** Eastbound on Boyle Avenue to facility entrance.

**DEP01:** Departure on Boyle Avenue from facility exit to Catawba Avenue.

**DEP02:** Southbound on Catawba Avenue from Boyle Avenue to Slover Avenue.

**DEP03:** Westbound on Slover Avenue from Catawba Avenue to Citrus Avenue.

**DEP04E:** Northbound on Citrus Avenue to the eastbound onramp to the I-10.

**DEP04W:** Northbound on Citrus Avenue to the westbound onramp to the I-10.

The remaining activities (onsite travel and idling) were defined as components of an “area source,” the area being the entire site. Thus, the red project boundary in **Figure 1** is the area source.

### 2.3.2 Receptor Grid

AERMOD was first run with a “coarse” grid to identify areas of highest ground-level concentration. All receptor points were identified with Zone 11 Universal Trans Mercator (UTM) coordinates. The coarse grid had both north-south and east-west receptor point spacing of 50 meters. Modeling with this grid indicated that the areas of highest concentration were on the facility itself. The highest offsite concentrations were in the residential neighborhoods directly south of the facility, across Boyle Avenue; and to the east. About 70% of the airborne DPM in the residential area was from onsite operations, and about 30% was from truck travel along local streets. To locate the point of maximum exposure more precisely, the model was run again with a smaller grid and 20-meter spacing.

### 2.3.3 Meteorology

Pre-processed meteorological data were obtained from the SCAQMD, for the Fontana meteorological station.<sup>16</sup> AERMOD requires five years of data; the Fontana data set includes 2011 through 2013, and 2015-2016.

## 2.4 Risk Calculations

Health risk assessments for DPM usually address cancer and chronic noncancer risk. Acute (short-term exposure) risk for DPM is not assessed because health risk data for acute exposure are

<sup>16</sup> <http://www.aqmd.gov/home/air-quality/air-quality-data-studies/meteorological-data/data-for-aermod>.

lacking. For the proposed project, chronic noncancer risk was not assessed because it is generally much lower than its CEQA threshold than is the cancer risk from its threshold.<sup>17</sup>

Cancer risk was calculated by multiplying average annual ground level concentrations by the unit risk factor for DPM, which is  $3.0 \times 10^{-4}$  per microgram per cubic meter, according to the Office of Environmental Health Hazard Assessment.<sup>18</sup>

### 3.0 RESULTS AND DISCUSSION

Cancer risk values at the 20-meter grid points were used to develop isopleths<sup>19</sup> of equal risk. These are shown in **Figure 2**. It is clear that the highest exposures are due to onsite truck activities, including movement to and from docks and idling. On-road diesel truck traffic makes a small but noticeable contribution, as indicated by the extension past Citrus Avenue of the 0.2-per-million contour. The location of the maximum residential receptor risk is indicated with a solid circle. That risk is 0.63 in one million.

**Table 3.0-1** summarizes the results of the modeling and risk calculation. It is clear that the maximum residential exposure is below the SCAQMD's threshold.

**Table 3.0-1**  
**MAXIMUM INDIVIDUAL CANCER RISK RESULTS**

Receptor Type	Location	Maximum Individual Cancer Risk (per million)	SCAQMD CEQA Significance Threshold (per million)
Maximum onsite	Project Site UTM 457,910 m Easting UTM 3,769,500 m Northing	1.46	10
Maximum residential	Boyle Avenue UTM 457,797 m Easting UTM 3,769,419 Northing	0.63	10

The analysis probably overestimates the actual exposure. The warehouse's 14 loading docks are all located on the north side of the building, and the building would block a substantial percentage of the emissions from traveling to the residential areas south of Boyle Avenue.

As was noted previously, this analysis did not include chronic noncancer risk, since that type of risk relative to its CEQA threshold would be even lower than the cancer risk is to the 10-in-one-million threshold. Also, risk to workers in the surrounding area was not included because occupational

17 The relative importance of DPM cancer risk and chronic noncancer risk is discussed in HARP Users Guide. Appendix K. Risk Assessment Procedures to Evaluate Particulate Emissions from Diesel-Fueled Engines. California Air Resources Board. 2003. <https://www.arb.ca.gov/toxics/harp/docs/userguide/appendixK.pdf>.

17 Overview: Diesel Exhaust and Health. California Air Resources Board. April 12, 2016. <https://www.arb.ca.gov/research/diesel/diesel-health.htm>.

18 Hot Spots Unit Risk and Cancer Potency Values. Office of Environmental Health Hazard Assessment. Updated May 2019. <https://oehha.ca.gov/media/CPFs042909.pdf>. Accessed November 13, 2019.

19 An isopleth on a map is a line representing equal values of some variable; a common example of an isopleth is a contour line on a topographic map, in which case the values are of elevation.

lifetime exposures would be less than those of the residential area,<sup>20</sup> and the latter are already far below the CEQA threshold.

**Attachment 1 - Figures**

Figure 1 - Area and Line Sources for Dispersion Modeling

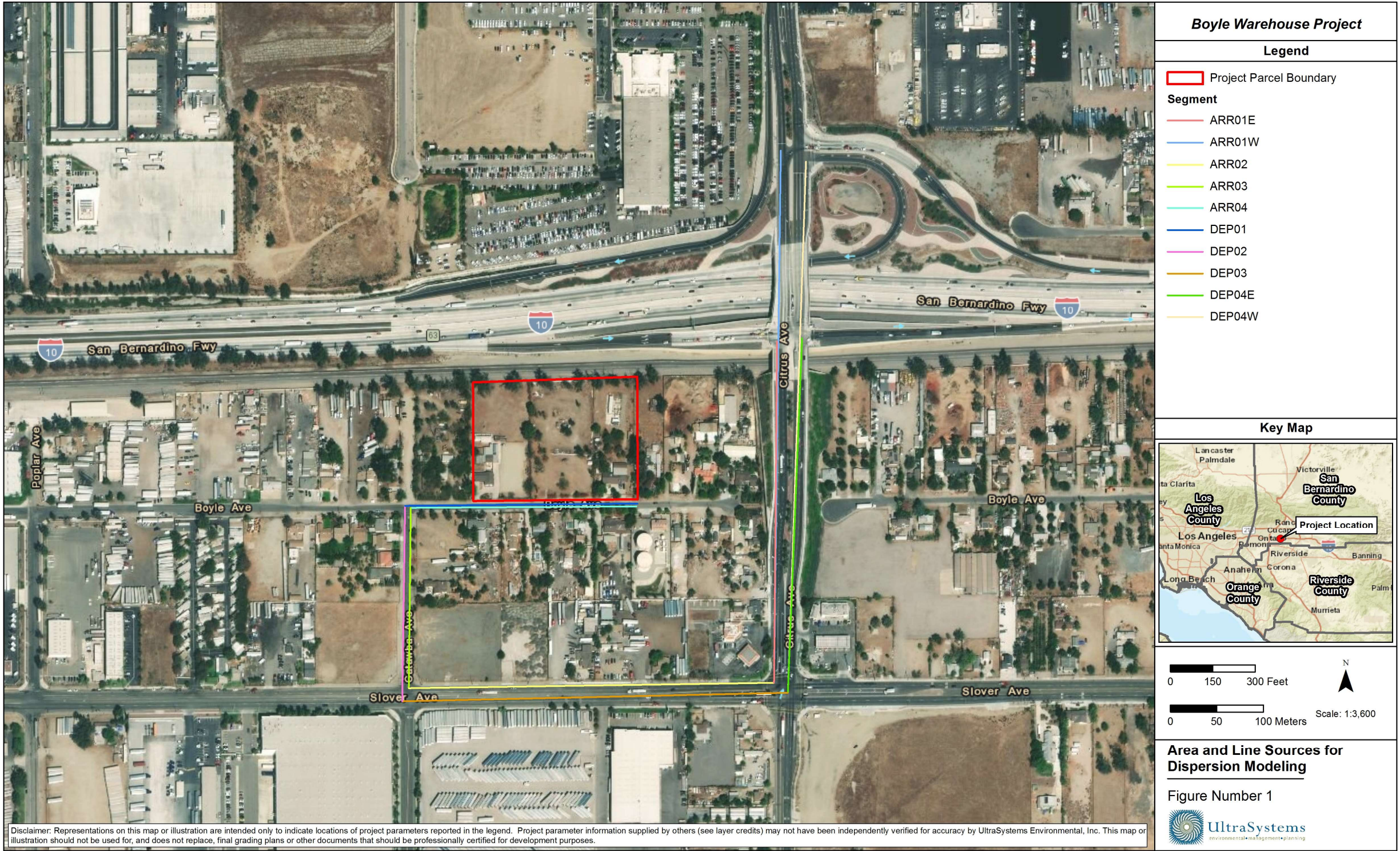
Figure 2 - Cancer Risk Isopleths and Point of Maximum Risk in A Residential Area

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<sup>20</sup> Residents are assumed to be exposed 24 hours per day, 365 days per year, for 70 years. Worker exposure would occur only during their time at their workplaces.

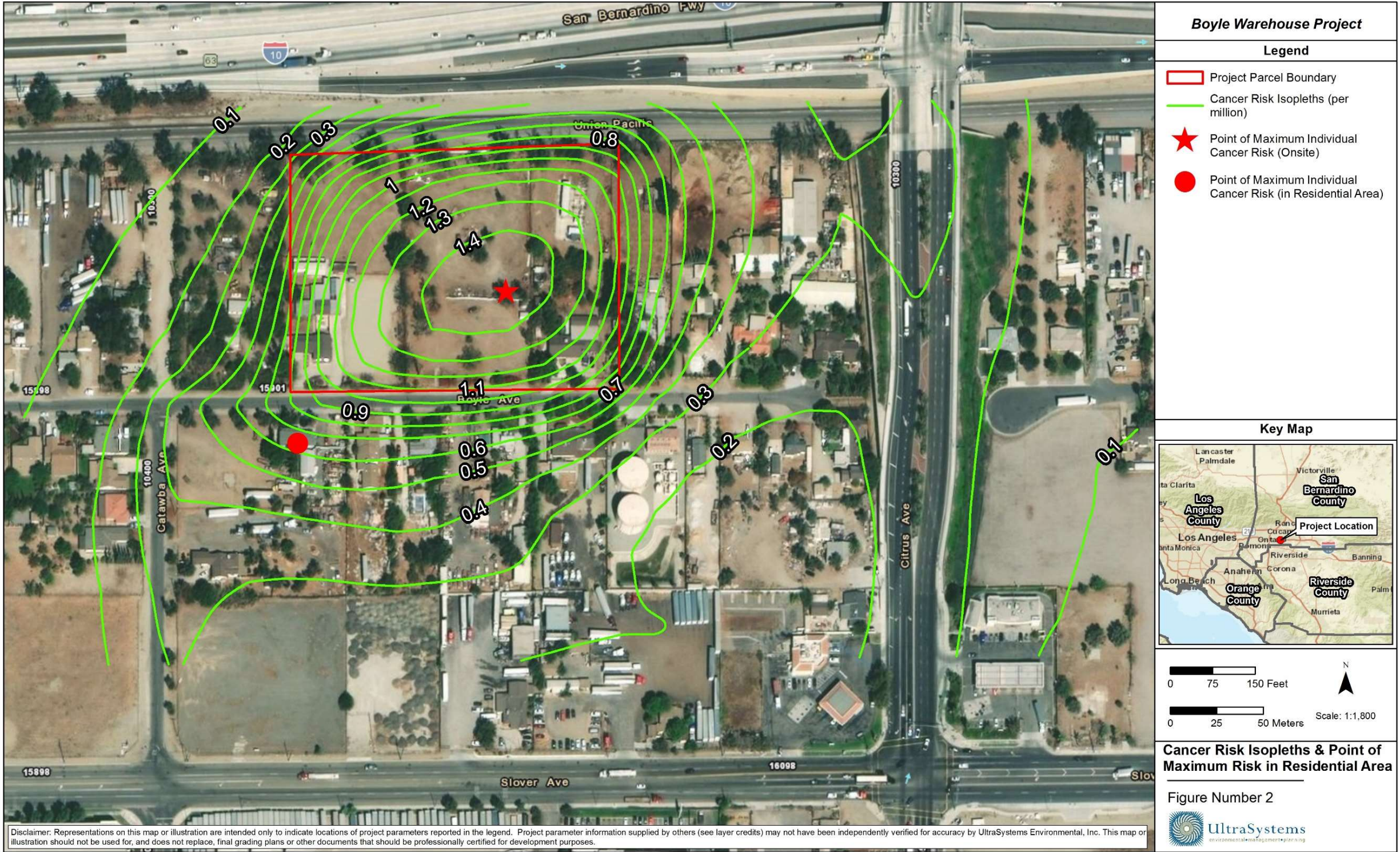


**Figure 1**  
**AREA AND LINE SOURCES FOR DISPERSION MODELING**





**Figure 2**  
**CANCER RISK ISOPLETHS AND POINT OF MAXIMUM RISK IN A RESIDENTIAL AREA**



November 14, 2019



1. In order to reduce future project-related air pollutant emissions and promote sustainability through conservation of energy and other natural resources, building and site plan designs shall ensure the project energy efficiencies surpass (exceed) applicable (2016) California Title 24 Energy Efficiency Standards by a minimum of 5%. Verification of increased energy efficiencies shall be documented in Title 24 Compliance Reports provided by the applicant and reviewed and approved by the City of Fontana prior to the issuance of the first building permit.
2. To reduce energy demand associated with potable water conveyance, the project shall implement the following, as applicable:
  - a. Landscaping palette emphasizing drought tolerant plants
  - b. Use of water-efficient irrigation techniques U.S. Environmental Protection Agency (EPA) Certified WaterSense equivalent faucets, high-efficiency toilets, and water-conserving shower heads.
3. The project shall comply with applicable provisions of state law, including the California Green Standards Code (Part 11 of Title 24 of the California Code of Regulations).
4. The applicant shall encourage its tenants to use alternative-fueled vehicles such as compressed natural gas vehicles, electric vehicles, or other alternative fuels by providing publicly available information from the Southern California Air Quality Management District (SCAQMD), California Air Resources Board (CARB), and U.S. Environmental Protection Agency (EPA) on alternative fuel technologies.
5. To promote alternative fuels and help support "clean" truck fleets, the applicant shall provide building occupants and businesses with information related to SCAQMD's Carl Moyer Program or other state programs that restrict operations to "clean" trucks, such as 2007 or newer model year or 2010 compliant heavy-duty vehicles, and information about the health effects of diesel particulates, the benefits of reduced idling time, California Air Resources Board regulations, and the importance of not parking in residential areas. If trucks older than 2007 model year would be used at the project site, the applicant shall encourage tenants, through contract specifications, to apply in good-faith for funding for diesel truck replacement/retrofit through grant programs such as the Carl Moyer, Prop 18, VIP On-Road Heavy Duty Voucher Incentive Program, HVIP Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, and SOON Surplus Off-Road Opt-In for NOx funding programs, as identified on SCAQMD's website (<http://www.aqmd.gov>). Tenants would be required to use those funds, if awarded.
6. The applicant shall encourage its tenants to use water-based or low volatile organic compound (VOC) cleaning products by providing publicly available information from the SCAQMD, CARB, and EPA on such cleaning products.
7. All on-site forklifts shall be non-diesel and shall be powered by electricity, compressed natural gas, or propane if technically feasible.
8. All construction equipment shall be maintained in good operation condition so as to reduce emissions. The construction contractor shall ensure that all construction equipment is being properly serviced and maintained as per the manufacturer's specification. Maintenance records shall be available at the construction site for City of Fontana verification. The following additional measures, as determined applicable by the City Engineer, shall be included as conditions of the Grading Permit issuance:

- a. Provide temporary traffic controls such as a flag person, during all phases of construction to maintain smooth traffic flow.
- b. Provide dedicated turn lanes for movement of construction trucks and equipment on- and off-site.
- c. Reroute construction trucks away from congested streets or sensitive receptor areas.
- d. Appoint a construction relations officer to act as a community liaison concerning on-site construction activity including resolution of issues related to PM10 generation.
- e. Improve traffic flow by signal synchronization and ensure that all vehicles and equipment will be properly tuned and maintained according to manufacturers' specifications.
- f. Require the use of 2010 and newer diesel haul trucks (e.g., material delivery trucks and soil import/export). If 2010 model year or newer diesel trucks cannot be obtained the contractor shall use trucks that meet EPA 2007 model year NOx and PM emissions requirements.
- g. During project construction, all internal combustion engines/construction equipment operating on the project site shall meet EPA-Certified Tier 3 emissions standards, or higher according to the following:
  - i. January 1, 2012, to December 31, 2014: all off-road diesel-powered construction equipment greater than 50 hp shall meet Tier 3 off-road emissions standards. In addition, all construction equipment shall be outfitted with BACT devices certified by CARB. Any emissions control device used by the contractor shall achieve emissions reductions that are no less than what could be achieved by a Level 3 diesel emissions control strategy for a similarly sized engine as defined by CARB regulations.
  - ii. Post-January 1, 2015: All off-road diesel-powered construction equipment greater than 50 hp shall meet the Tier 4 emissions standards, where available. In addition, all construction equipment shall be outfitted with BACT devices certified by CARB. Any emissions control device used by the contractor shall achieve emissions reductions that are no less than what could be achieved by a Level 3 diesel emissions control strategy for a similarly sized engine as defined by CARB regulations.
  - iii. A copy of each unit's certified tier specification, BACT documentation, and CARB or SCAQMD operating permit shall be provided at the time of mobilization of each applicable unit of equipment.
9. Prior to the issuance of any grading permits, applicant shall submit construction plans to the City of Fontana denoting the proposed schedule and projected equipment use. Construction contractors shall provide evidence that low emission mobile construction equipment will be utilized, or that their use was investigated and found to be infeasible for the project.
10. All paints and coatings shall meet or exceed performance standards noted in SCAQMD Rule 1113. Specifically, the following measures shall be implemented, as feasible:

- a. Use coatings and solvents with a VOC content lower than that required under AQMD Rule 1113.
  - b. Construct or build with materials that do not require painting.
  - c. Require the-use of pre-painted construction materials.
- 11. All asphalt shall meet or exceed performance standards noted in SCAQMD Rule 1108.
- 12. Prior to the issuance of grading permits or approval of grading plans for the project, applicant shall provide a dust control plan as part of the construction contract standard specifications. The dust control plan shall include measures to meet the requirements of SCAQMD Rules 402 and 403. Such measures may include, but are not limited to, the following:
  - a. Phase and schedule activities to avoid high-ozone days and first-stage smog alerts.
  - b. Discontinue operation during second-stage smog alerts.
  - c. All haul trucks shall be covered prior to leaving the site to prevent dust from impacting the surrounding areas.
  - d. Comply with AQMD Rule 403, particularly to minimize fugitive dust and noise to surrounding areas.
  - e. Moisten soil each day prior to commencing grading to depth of soil cut.
  - f. Water exposed surfaces at least twice a day under calm conditions, and as often as needed on windy days or during very dry weather in order to maintain a surface crust and minimize the release of visible emissions from the construction site.
  - g. Treat any area that will be exposed for extended periods with a soil conditioner to stabilize soil or temporarily plant with vegetation.
  - h. Wash mud-covered tires and under carriages of trucks leaving construction sites.
  - i. Provide for street sweeping, as needed, on adjacent roadways to remove dirt dropped by construction vehicles or mud, which would otherwise be carried off by trucks departing project sites.
  - j. Securely cover all loads of fill coming to the site with a tight-fitting tarp.
  - k. Cease grading during periods when winds exceed 25 miles per hour.
  - l. Provide for permanent sealing of all graded areas, as applicable, at the earliest practicable time after soil disturbance.
  - m. Use low-sulfur diesel fuel in all equipment.
  - n. Use electric equipment whenever practicable.
  - o. Shut off engines when not in use.
- 13. The project shall post signs requiring that trucks shall not be left idling for prolonged periods pursuant to Title 13 of the California Code of Regulations, Section 2485, which limits idle times to not more than five minutes.
- 14. The project shall designate preferential parking for vanpools.
- 15. The proposed building shall incorporate provision of food and beverages.
- 16. All tenants with 50 or more employees shall be required to post both bus and MetroLink schedules in conspicuous areas.
- 17. All tenants with 50 or more employees shall be requested to configure their operating schedules around the MetroLink schedule to the extent reasonably feasible.

18. The project shall incorporate light colored roofing materials.



## NOTICE OF PUBLIC HEARING

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***Si desea información en Español referente a esta notificación o proyecto,  
favor de comunicarse al (909) 350-6728.***

In compliance with Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132) and the federal rules and regulations adopted in implementation thereof, the Agenda will be made available in appropriate alternative formats to persons with a disability. Should you need special assistance to participate in this meeting, please contact the City Clerk's Department by calling (909) 350-7602. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A PUBLIC HEARING HAS BEEN SCHEDULED BEFORE THE CITY COUNCIL OF THE CITY OF FONTANA FOR THE FOLLOWING:

**Appeal (APL) No. 21-003/Master Case No. (MCN) No. 21-034 and Design Review Project (DRP) No. 21-003:** A request for an appeal to overturn the Planning Commission's decision on July 6, 2021, approving Master Case No. (MCN) No. 21-034 and Design Review Project (DRP) No. 21-003 for a warehouse building totaling approximately 92,433 square feet on a site of approximately 4.1 gross acres. The site is located on the northwest corner of Valley Boulevard and Catawba Avenue within the Light Industrial (M-1) Zoning District within the City of Fontana.

**Environmental  
Determination:**

The project qualifies for a Categorical Exemption, pursuant to Section 15332, Class 32, (In-Fill Development) of the California Environmental Quality Act (CEQA) and Section 3.01(f) of the City of Fontana 2019 Local Guidelines for Implementing the California Environmental Quality Act.

**Location:**

The site is located on the northwest corner of Valley Boulevard and Catawba Avenue at 15894 Valley Boulevard (APN 0235-141-04) within the Light Industrial (M-1) Zoning area.

**Date of Hearing:** September 28, 2021

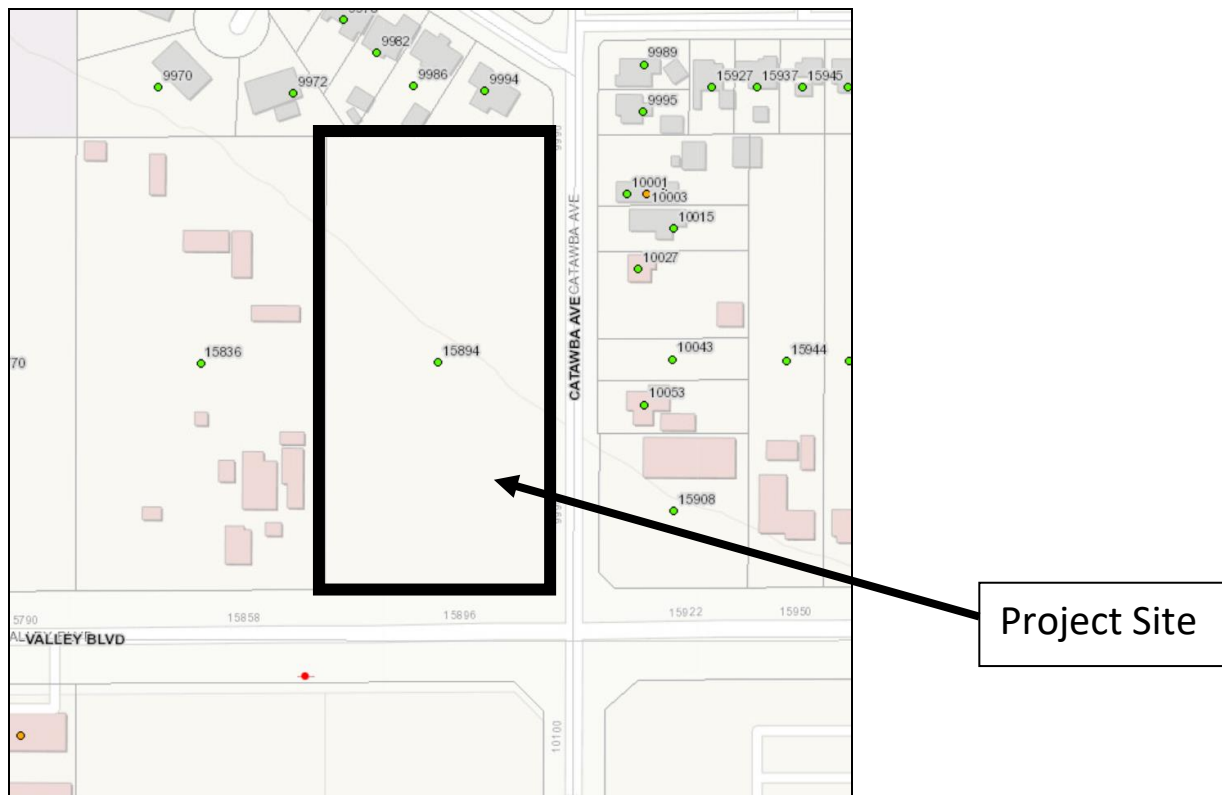
**Place of Hearing:** City Hall Council Chambers at 8353 Sierra Avenue, Fontana, CA, KFON Channel 3, and <https://fontana.legistar.com/>

**Time of Hearing:** 7:00 P.M.

Should you have any questions concerning this project, please contact Paul Gonzales, **Senior Planner**, at (909) 350-6658 or via E-mail: [pgonzales@fontana.org](mailto:pgonzales@fontana.org).

ANY INTERESTED PARTY MAY PROVIDE INFORMATION BY LETTER OR EMAIL WHICH MAY BE OF ASSISTANCE TO THE CITY COUNCIL. A COPY OF THE APPLICATION AND ENVIRONMENTAL DOCUMENTATION IS AVAILABLE FOR INSPECTION. PLEASE CONTACT THE PLANNER LISTED ABOVE.

IF YOU CHALLENGE IN COURT ANY ACTION TAKEN CONCERNING A PUBLIC HEARING ITEM, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE PUBLIC HEARING DESCRIBED IN THIS NOTICE, OR IN WRITTEN CORRESPONDENCE TO THE CITY AT, OR PRIOR TO, THE PUBLIC HEARING.





# Project 9 Fontana

15894 Valley Blvd, Fontana, CA 92335

Categorical Exemption Report

Prepared for:  
City of Fontana  
8353 Sierra Ave  
Fontana, CA 92335  
Contact: Paul Gonzales  
[pgonzales@fontana.org](mailto:pgonzales@fontana.org)

May, 2021



## **Categorical Exemption Report**

This report documents the environmental analysis prepared for the City of Fontana for the 15894 Valley Boulevard Project (Project) located in the City of Fontana, San Bernardino County. The intent of this analysis is to document that the project is exempt from the provisions of the California Environmental Quality Act (CEQA) under the Class 32 Categorical Exemption pursuant to CEQA Guidelines Section 15332. This report provides an introduction, project description, and evaluation of the project's consistency with the requirements for a Class 32 exemption. The report concludes that the project is eligible for a Class 32 Categorical Exemption.

### **1. Introduction**

The City of Fontana (City) proposes to adopt a Class 32 Categorical Exemption for the proposed project. Pursuant to CEQA Guidelines Section 15332, a Class 32 Categorical Exemption applies to projects characterized as in-fill development meeting the following conditions:

- a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
- b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.
- c) The project site has no value as habitat for endangered, rare, or threatened species.
- d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.
- e) The site can be adequately served by all required utilities and public services.

Additionally, this report documents that none of the exceptions to the Class 32 Categorical Exemption in CEQA Guidelines Section 15300.2 apply to the project. These exceptions relate to cumulative impacts, significant effects due to unusual circumstances, scenic highways, hazardous waste sites, and historical resources. A full listing of these exceptions and an assessment of their applicability to the proposed project is provided in this report.

The City evaluated the project's consistency with the above requirements, including its potential impacts on the subjects of biological resources, traffic, noise, air quality, water quality, and historic resources, to confirm the project's eligibility for a Class 32 exemption.

## 2. Project Description

### Project Location and Setting

As shown in Figure 1, the Property consists of 4.07 acres located at the northwest corner of Valley Boulevard and Catawba Avenue. To the west and south of the Property are various industrial uses on parcels designated Light Industrial. Commercial uses are located to the east and residential uses are directly north of the Property.

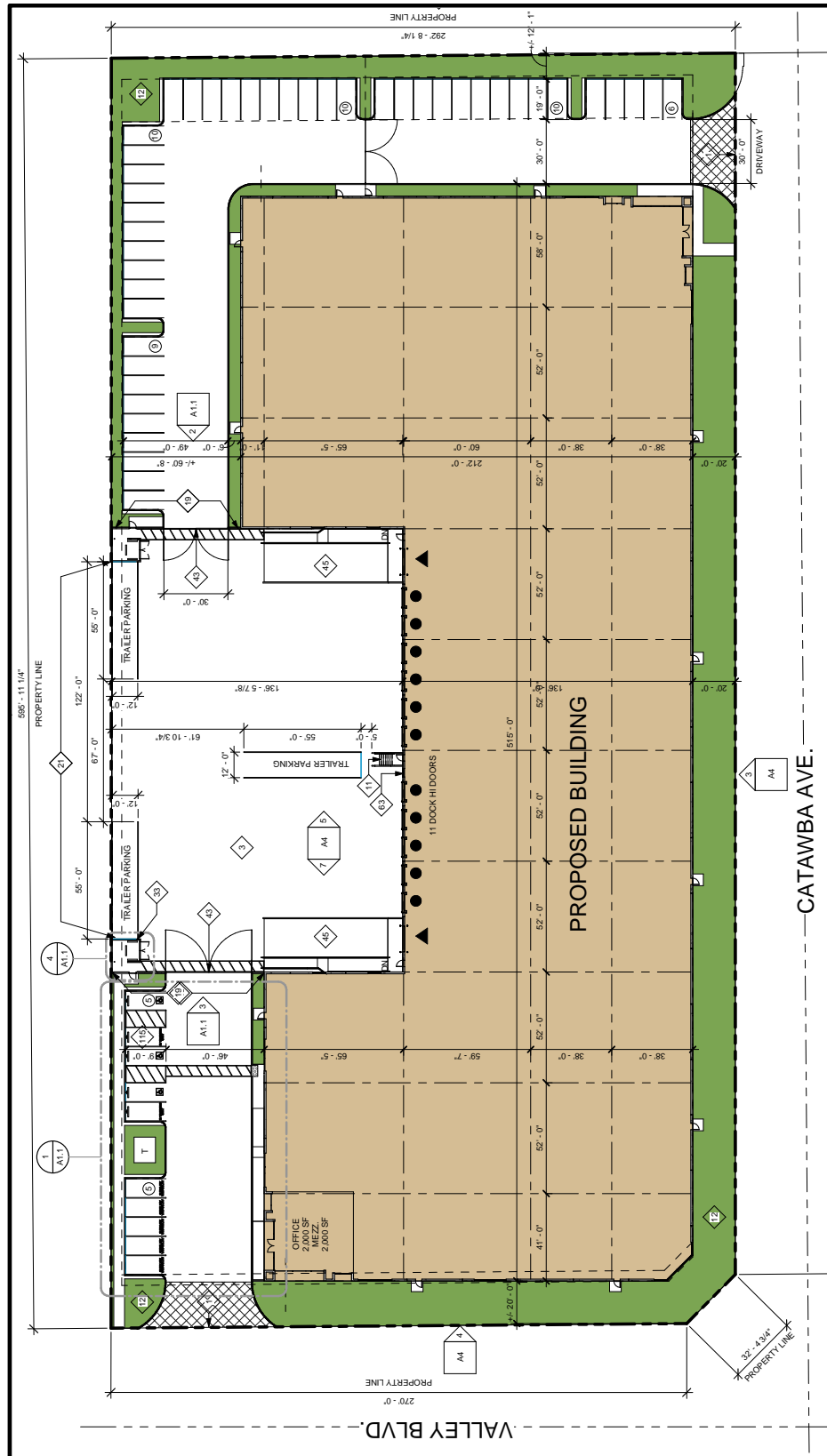
**Figure 1**



## **Project Characteristics**

As shown in Figure 2, the Project consists of the construction of an 92,433 square foot warehouse building (warehouse use – 88,433 sq. ft., office – 2,000 sq. ft., mezzanine – 2,000 sq ft.) with a floor area ratio (“FAR”) of 0.531. For parking, the site plan provides 58 spaces (48 standard, 2 ADA, 1 Van ADA, 1 ADA EV VAN, 3 EVCs, 3 Clean Air). Three (3) truck trailer parking spaces are provided. The Project site plan provides 24,718 square feet of landscaping (29.5% lot coverage, exclusive of proposed building). The warehouse building is proposed to be set back approximately 66 feet from the residential uses to the north of the Property, 20 feet from both Valley Boulevard and Catawba Avenue, and between approximately 59 and 72 feet from the industrial use to the west of the Property.

### Figure 2



### 3. Consistency Analysis

#### Criterion (a)

*The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.*

#### General Plan

The Property is designated I-L, Light Industrial, under the City's General Plan. The I-L land use category is defined as follows:<sup>1</sup>

**I-L: Light Industrial (0.1-0.6 FAR).** Employee-intensive uses, including business parks, research and development, technology centers, corporate and support office uses, clean industry, supporting retail uses, truck and equipment sales and related services are allowed. Warehouses that are designed in ways that limit off-site impacts are also permitted.

The project is consistent with the General Plan designation.

#### General Plan Policies

The project is consistent with all applicable General Plan Policies, as shown in Table 1 below.

**Table 1: Consistency with Fontana General Plan**

Policy	Consistency
<b>Land Use Element</b>	
<ul style="list-style-type: none"><li>• Locate high-quality industrial uses where there is appropriate access to regional transportation routes</li></ul>	The project site is located on a major arterial (Valley Boulevard) and is one block from the I-10.

---

<sup>1</sup> City of Fontana 2015-2035 General Plan, Chapter 15, Land Use, Zoning and Urban Design, pgs.15.25-15.26.  
<https://www.fontana.org/DocumentCenter/View/26754/Chapter-15---Land-Use-Zoning-and-Urban-Design>

<ul style="list-style-type: none"> <li>• Promote the Southwest Industrial Park and the I-10 corridor as preferred locations for industrial uses.</li> </ul>	<p>The project site is located on a major arterial (Valley Boulevard) and is one block from the I-10.</p>
<b>Noise and Safety Element</b>	
<ul style="list-style-type: none"> <li>• Noise spillover or encroachment from commercial, industrial and educational land uses shall be minimized into adjoining residential neighborhoods or noise-sensitive uses.</li> </ul>	<p>As addressed in more detail below regarding the project's compliance with criterion (d) of the Class 32 Categorical Exemption, the project will comply with all applicable noise standards and regulations, ensuring that noise spillover from the site is minimized.</p>
<ul style="list-style-type: none"> <li>• Residential land uses and areas identified as noise-sensitive shall be protected from excessive noise from non-transportation sources including industrial, commercial, and residential activities and equipment.</li> </ul> <p><i>Actions</i></p> <p>A. Projects located in commercial areas shall not exceed stationary- source noise standards at the property line of proximate residential or commercial uses.</p> <p>B. Industrial uses shall not exceed commercial or residential stationary source noise standards at the most proximate land uses.</p> <p>C. Non-transportation noise shall be considered in land use planning decisions.</p> <p>D. Construction shall be performed as quietly as feasible when performed in</p>	<p>As addressed in more detail below regarding the project's compliance with criterion (d) of the Class 32 Categorical Exemption, the project will comply with all applicable noise standards and regulations during construction and operation.</p>

proximity to residential or other noise sensitive land uses.	
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## Zoning Designation and Regulations

The Property is zoned M-1, Light Industrial. The Fontana Municipal Code (“FMC”) defines the M-1 district as an “industrial zoning district that accommodates employee-intensive uses, such as business parks, research and technology centers, offices, and supporting retail uses, high cube/warehousing which does not permit heavy manufacturing, processing of raw materials, or businesses logistics which generate high volumes of truck traffic.” FMC § 30-522(1).

In the M-1 district, warehouses are a permitted use subject to specific requirements. FMC Table No. 30-530(5). The intent of the specific regulations is to “provide for well-planned and orderly development of business parks and warehousing distribution/logistic uses” in the M-1 zoning district. FMC § 30-532(7). The Table 1 below details the specific warehouse regulations for the M-1 zoning district. The proposed project is consistent with the City’s zoning requirements.

**Table 2: Project Consistency with Applicable Zoning Regulations**

Regulation	FMC Minimum Standard <sup>2</sup>	Project Compliance
<b>Minimum lot size</b>	20,000 square feet	Yes – 177,151 sq. ft. (gross); 174,210 sq. ft. (net)
<b>Lot minimum width</b>	150 feet	Yes – 292 ft, 9 in.
<b>Lot minimum depth</b>	150 feet	Yes – 591 ft, 3 in.
<b>Maximum building height</b>	75 feet	Yes - Less than 75 feet

<sup>2</sup> FMC § 30-532(7)(a), Table No. 30-532, unless otherwise indicated.

<b>Maximum lot coverage</b>	60%	Yes – 53.1%
<b>Maximum FAR</b>	0.60	Yes – 0.531
<b>Building setback from existing residential use and zone</b>	Minimum 45 feet	Yes – 66 ft., 3 in.
<b>Building setbacks from streets</b>	20 feet; All required yard areas shall be clear of all structures and shall be landscaped and maintained in a neat and healthy condition. FMC § 30-536(2), Table 30-536.B.	Yes – 20 feet from both Valley Boulevard and Catawba Avenue
<b>Interior yard building setback</b>	<p>Abutting residential or C-1 zoning district – 30 feet</p> <p>Abutting all other zoning districts – 5 feet</p> <p>FMC § 30-536(2), Table 30-536.B.</p>	<p>Yes – Abutting residential zoning district – 66 ft., 3 in.</p> <p>Abutting industrial district – between 59 ft. - 71 ft., 9 in.</p>
<b>Parking and Drive Aisle setback from streets</b>	<p>Valley Boulevard – 25 feet (for parking)</p> <p>Other streets – 20 feet</p> <p>FMC § 30-356(2), Table 30-536.C</p>	Yes – parking and drive aisles appear to be in excess of 25 feet from Valley Boulevard and in excess of 20 feet from Catawba Avenue
<b>Parking and drive aisle interior and rear setback</b>	Abutting residential or C-1 zoning district – 10 feet	Yes – Abutting residential zoning district – 10 feet



	<p>Abutting all other zoning districts – 5 feet</p> <p>FMC § 30-536(2), Table 30-536.C.</p>	<p>Yes – Abutting industrial district – setback varies between 6 feet, 9 inches and 5 feet, 4 inches.</p>
<b>Building orientation</b>	<p>No truck loading/unloading area shall be located adjacent to existing residential uses. A building may be utilized to separate the truck loading/unloading area from existing residential uses. FMC § 30-532(7)(b).</p>	<p>Yes – Truck loading/unloading area adjacent to industrial use to the west and separated from the residential use by the building.</p>
<b>Parking location</b>	<p>The placement of buildings and parking lots shall emphasize the attractive designs of buildings with less emphasis on parking lots. On-site parking shall be buffered from the right-of-way through screen walls, mounding and landscaping and/or building placement. Furthermore, visitor and/or employee parking may be located at the front of the building adjacent to the main entry. FMC § 30-532(7)(c).</p>	<p>Yes – The majority of the Project parking is located adjacent to the industrial use to the west.</p>
<b>Parking</b>	<p>One parking space is required for each 1,000 square feet of gross floor area for the initial 20,000 square feet,</p>	<p>Yes – Total parking required: 41 spots; Total parking provided: 55 spots</p>

	<p>One parking space is required for each 2,000 square feet of additional gross floor area for the next 20,000 square feet, and</p> <p>One parking space is required for each 5,000 square feet of additional gross floor area over 40,000 square feet,</p> <p>No additional parking spaces are required for the office area, if office area is less than ten percent of total building square footage.</p> <p>FMC Table No. 30-685.A; §§ 30-690 through 30-703</p>	
<b>On-Site Loading Spaces</b>	<p>From 5,000 to 30,000 square feet, one space; and</p> <p>One additional space for each additional 30,000 square feet.</p> <p>FMC Table No. 30-704.</p>	Yes – 3 loading spaces required; 11 dock doors provided.
<b>Trailer Parking</b> (Applicable to Logistics, Distribution Facilities (High Cube) and <b><u>Warehousing Facilities</u></b> )	<p>1 trailer space 12 feet x 52 feet for every four bay doors for buildings 199,999 square feet and smaller (round up to nearest whole number).</p> <p>FMC § 30-704a.</p>	Yes – 3 trailer spaces required (based on 11 dock doors), 3 trailer spaces provided.

<b>Bicycle parking</b>	One bicycle space is required for each 30,000 square feet of gross floor area.  FMC Table 30-714.	Yes – 3 bicycle parking spaces will be provided.
<b>Walls</b>	A minimum 10-foot high wall is required adjacent to existing residential uses. A higher wall may be required for noise and/or screening purposes. FMC § 30-532(7)(d).	Yes – a 10-foot high wall will be constructed along the property line shared with residential use.
<b>Landscaping</b>	No less than 15% of the total area of the property not covered by buildings, structures, or areas used for outside storage or loading.  FMC § 30-674(b); see §§ 30-674 through 30-677.	Yes – 27.4%

Additional zoning regulations apply to the project, and the project complies with all of them, as discussed below. The following trip reduction measures (FMC § 30-554) are applicable to the project:

- Bicycle parking racks or secured bicycle lockers are required at a rate of one bicycle parking space per 20 automobile parking spaces.
- On-site pedestrian walkways and bicycle paths shall be provided connecting the building to public streets and sidewalks or transit stops.
- Preferential parking spaces which are signed and striped for vanpools and carpools shall be provided at a minimum rate of ten percent of employee vehicle parking for all new nonresidential developments of 20,000 square feet or greater.
- A passenger loading area equivalent to a minimum of three parking spaces shall be provided in a location close to the main building entrance or employee entrance,

designed not to interfere with vehicular circulation, for all new nonresidential developments of 50,000 square feet or greater.

- Parking spaces shall be designed with a minimum vertical clearance of seven feet two inches to accommodate vanpool vehicles.
- All new nonresidential developments with 20,000 square feet or greater shall provide an information area easily accessible to employees that offers information on available transportation alternatives, such as: metro link service schedules, transit route schedules and maps, rideshare matching services, available employees or customer incentives and air quality information.
- Sidewalks shall be provided for all new developments in accordance with the City General Plan, Circulation Element.

Industrial uses cannot create or cause to be created any sound as measured at the property line of any residentially zoned property which exceeds 70 db(A) between 7am and 10pm or 65 db(A) between 10pm and 7am. FMC § 30-543. All lights must be directed and/or shielded to prevent the light from adversely affecting adjacent properties. FMC § 30-544. The City requires a photometric plan which indicates the amount of light emanating from proposed light fixtures. *Id.*

The Fontana Municipal Code section 30-532(7)(e) also provides additional minimum architecture standards for warehouses in the M-1 zoning district. Section 30-538 of the Fontana Municipal Code outlines the screening requirements for industrial buildings.

The City's general design guidelines for industrial developments are laid out in FMC § 30-550 – Site Plan Design and FMC § 30-551 – Building Design.

The project complies with all of the preceding FMC provisions.

In summary, the proposed project would be consistent with applicable General Plan land use designation, General Plan policies, zoning designation and regulations. Therefore, the project is consistent with criterion 'a' of State CEQA Guidelines Section 15332, pertaining to Class 32 Categorical Exemptions for infill development projects.

#### **Criterion (b)**

*The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.*

The project is located within the City of Fontana city limits and is located on a site less than five acres in size. The project site is substantially surrounded by urban uses: To the west and south of the Property are various industrial uses on parcels designated Light Industrial. Commercial uses

are located to the east and residential uses are directly north of the Property. Therefore, the proposed project is consistent with criteria (b) of State CEQA Guidelines Section 15332, pertaining to Class 32 Categorical Exemption for infill development projects.

**Criterion (c)**

*The project site has no value as habitat for endangered, rare, or threatened species.*

The project site is located on an undeveloped site. A field reconnaissance survey of the study area was conducted to document existing site conditions and the potential presence of sensitive biological resources (Appendix A). The site is largely paved, and primary vegetation communities on the project site include non-native annual grassland and disturbed habitat. No sensitive species were observed during the field survey. Based on the proposed project characteristics and the existing site conditions documented in Appendix A, the project site has no value as habitat for any special-status species plant or wildlife species known to occur in the general region of the project.

**Criterion (d)**

*Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.*

The following discussion documents that the project will not result in any significant effects related to traffic, noise, air quality and greenhouse gas (GHG) emissions, and water quality.

**i. Traffic**

A Trip Generation Assessment for the project was prepared by Urban Crossroads Group in December 2020 and is attached as Appendix B. Trip generation rates were determined for weekday AM peak hour trips, PM peak hour trips, and daily trips for the proposed project based on a mix of cars and trucks. The proposed project would generate 164 two-way trips per day (in actual vehicles), with 15 trips generated during the AM peak hour and 16 trips generated during the PM peak hour. The City's Guidelines require that truck intensive uses translate heavy truck trips to passenger car equivalents (PCE). The project is anticipated to generate 230 two-way PCE trips per day, with 19 PCE AM peak hour trips and 21 PCE PM peak hour trips. Accordingly, the project is anticipated to generate fewer than 50 peak hour trips and fewer than 250 two-way trips per day (both actual and PCE based). As such, a level of service (LOS) based traffic analysis is not required for this Project based on the City of Fontana's Guidelines. Furthermore, the proposed Project use is anticipated to generate fewer trips than a high-cube warehouse use (based on an average rate of all high-cube warehouse uses) of the same square footage.

Urban Crossroads also conducted a Vehicle Miles Travelled (VMT) Screening Analysis for the project, attached as Appendix C. Changes to the CEQA Guidelines were adopted in December 2018, requiring all lead agencies to adopt VMT as a replacement for automobile delay-based level of service (LOS) as the new measure for identifying transportation impacts for land use projects. This statewide mandate went into effect July 1, 2020. To aid in this transition, the Governor's Office of Planning and Research (OPR) released a Technical Advisory on Evaluating Transportation Impacts in CEQA (December of 2018) (Technical Advisory). Using the Technical Advisory as a reference document, the City of Fontana adopted the Traffic Impact Analysis (TIA) Guidelines for Vehicle Miles Traveled (VMT) and Level of Service Assessment (City Guidelines). If a project meets one of the City's screening thresholds, the City's Guidelines do not require more detailed VMT analysis, and the City can conclude that the project is anticipated to result in less-than-significant impacts.

One of the VMT screening thresholds provided by the City Guidelines is whether a project will generate fewer than 500 average daily trips (ADT). Projects that generate fewer than 500 ADT would not cause a substantial increase in the total citywide or regional VMT and are therefore presumed to have a less than significant impact on VMT. For warehousing uses, buildings with 287,000 square feet or less are anticipated to generate less than 500 ADT. The proposed project comprises 92,433 square feet and, as noted above in the discussion of trip generation rates, is anticipated to generate fewer than 500 ADT. Therefore, it is presumed to have a less than significant VMT impact.

Therefore, the project will not result in any significant effects related to traffic.

## **ii. Noise**

A Noise Impact Analysis was prepared for the project by Urban Crossroads in January 2021 and is attached as Appendix D. The Noise Impact Analysis concluded that impacts associated with operational noise, construction noise, nighttime concrete pouring, and construction vibration would all be less than significant.

As noted above in Table 1, the following policy from City's General Plan Noise Element applies to the project:

*Policy:* Residential land uses and areas identified as noise-sensitive shall be protected from excessive noise from non-transportation sources including industrial, commercial, and residential activities and equipment.

*Actions:*

- a) Projects located in commercial areas shall not exceed stationary- source noise standards at the property line of proximate residential or commercial uses.
- b) Industrial uses shall not exceed commercial or residential stationary source noise standards at the most proximate land uses.
- c) Non-transportation noise shall be considered in land use planning decisions.
- d) Construction shall be performed as quietly as feasible when performed in proximity to residential or other noise sensitive land uses.

The City's noise control guidelines for determining and mitigating non-transportation or stationary noise source impacts from operations in neighboring residential areas are found in the FMC Section 30-543. For industrial zoning districts, FMC Section 30-543 indicates that no person shall create or cause to be created any sound which exceeds the noise levels in this section as measured at the property line of any residentially zoned property. The performance standards found in FMC Section 30-543 limit the exterior noise level to 70 dBA Leq during the daytime hours, and 65 dBA Leq during the nighttime hours at sensitive receiver locations.

The City has set restrictions to control noise impacts associated with the construction of the proposed Project. According to FMC Section 18-63(b)(7), Construction or repairing of buildings or structures, construction activity is limited: between the hours of 7:00 a.m. and 6:00 p.m. on weekdays and between the hours of 8:00 a.m. and 5:00 p.m. on Saturdays except in the case of urgent necessity. (13) Project construction noise levels are, therefore, considered exempt from municipal regulation if activities occur within the hours specified in the FMC Section 18-63(7) of 7:00 a.m. to 6:00 p.m. on weekdays and between the hours of 8:00 a.m. to 5:00 p.m. on Saturdays. However, if activity occurs outside of these hours, the City of Fontana stationary-source (operational) noise level standards of 70 dBA Leq during the daytime hours, and 65 dBA Leq during the nighttime hours shall apply.

FMC Section 30-543 also provides that operational vibration levels shall not create or cause to be created any activity that causes a vibration that can be felt beyond the property line with or without the aid of an instrument. For analysis purposes, a peak-particle-velocity (PPV) vibration threshold of 0.2 in/sec PPV is used to determine perception consistent with the FMC requirements based on guidance provided by the Federal Transit Administration, Transit Noise and Vibration Impact Assessment Manual.

To present the potential worst-case project noise conditions, the project is assumed to be operational 24 hours per day, seven days per week. It is expected that the project business operations would primarily be conducted within the enclosed buildings, except for traffic movement, parking, as well as loading and unloading of trucks at designated loading bays. At the time this noise analysis was prepared, the future tenants of the proposed project were unknown. The on-site project-related noise sources are expected to include: loading dock activity, entry

gate & truck movements, roof-top air conditioning units, and trash enclosure activity. Per the Trip Generation Assessment (Appendix B), the project is expected to generate a total of approximately 164 vehicular trips per day, which includes 46 truck trips per day.

The Noise Impact Analysis studied five receiver locations (see Figure 3) in the vicinity of the project site, all nearby residences that are considered noise-sensitive land uses.

**Figure 3**



The Noise Impact Analysis modeled noise levels for project noise sources and calculated daytime and nighttime operational noise levels at the receiver locations. As documented in Appendix D, the project's operational noise levels will satisfy the City's 70 dBA Leq daytime and 65 dBA Leq nighttime exterior noise level standards at all nearby receiver locations. Table 3 summarizes the



operational noise levels of the project and their comparison to applicable noise thresholds. Full details of the project's noise levels are included in Appendix D. Therefore, the operational noise impacts are considered less than significant at the nearby noise-sensitive receiver locations.

**Table 3: Operational Noise Level Compliance**

Receiver Location	Project Operational Noise Levels (dBA Leq)		Noise Level Standard (dBA Leq)		Threshold Exceeded?	
	Daytime	Nighttime	Daytime	Nighttime	Daytime	Nighttime
R1	59.2	58.2	70	65	No	No
R2	61.7	60.6	70	65	No	No
R3	63.0	62.0	70	65	No	No
R4	64.3	63.4	70	65	No	No
R5	63.6	62.7	70	65	No	No

The Noise Impact Analysis also modeled noise levels associated with construction activity and calculated associated noise levels at the receiver locations during different construction activities such as site preparation and grading. As noted above, project construction noise levels are considered exempt if activities occur within the hours specified in the FMC Section 18-63(7) of 7:00 a.m. to 6:00 p.m. on weekdays and between the hours of 8:00 a.m. to 5:00 p.m. on Saturdays. If Project construction activity occurs outside of the hours specified in the Municipal Code, noise levels shall satisfy the City of Fontana construction noise level thresholds of 70 dBA Leq during the daytime hours and 65 dBA Leq during the nighttime hours. No project construction activity is planned outside the hours prescribed in FMC Section 16-63(7). Table 4 summarizes the construction noise level compliance for the project. Full details of the construction noise impacts of the project are included in Appendix D.

**Table 4: Construction Noise Levels Compliance**

Receiver Location	Construction Noise Levels (dBA Leq)				
	Highest Construction Noise Levels	Threshold During Specified Hours	Threshold Outside of Specified Hours Daytime	Threshold Outside of Specified Hours Nighttime	Specified Hours Threshold Exceeded?
R1	72.4	Exempt	70	65	No
R2	68.9	Exempt	70	65	No
R3	71.4	Exempt	70	65	No
R4	71.4	Exempt	70	65	No
R5	70.1	Exempt	70	65	No

Appendix D also documents that vibration levels associated with construction equipment at the project will be below the 0.2 in/sec PPV threshold. Therefore, the noise impacts due to project construction noise will be less than significant at all receiver locations as documented in Appendix D.

### **iii. Air Quality & GHG Emissions**

An Air Quality and GHG Impact Analysis was prepared for the project by Urban Crossroads in February 2021 and is attached as Appendix E. Its conclusions are summarized below.

#### **Air Quality**

A significant adverse air quality impact may occur when a project individually or cumulatively interferes with progress toward the attainment of an air quality standard by releasing emissions that equal or exceed the established long term quantitative thresholds for pollutants, or causes an exceedance of a state or federal ambient air quality standard for any criteria pollutant.

Primary criteria pollutants are emitted directly from a source (e.g., vehicle tailpipe, an exhaust stack of a factory, etc.) into the atmosphere. Commonly found primary criteria pollutants include reactive organic gases (ROG), nitric oxides (NO<sub>x</sub>), carbon monoxide (CO), and particulate matter (PM<sub>10</sub> and PM<sub>2.5</sub>; PM 10 is particulate matter measuring no more than 10 microns in diameter, while PM<sub>2.5</sub> is fine particulate matter measuring no more than 2.5 microns in diameter). The project site is located within the South Coast Air Basin and falls under the jurisdiction of the South Coast Air Quality Management District (SCAQMD).

The Basin is designated as a nonattainment area for the federal and state one-hour and eight-hour ozone standards, the state PM<sub>10</sub> standards, the federal 24-hour PM<sub>2.5</sub> standard, and the federal and state annual PM<sub>2.5</sub> standard. The Basin is in attainment of all other federal and state standards. Applicable air quality thresholds and the project's corresponding emissions are summarized below.

#### a. Construction Emissions

SCAQMD recommends the quantitative regional significance thresholds for temporary construction activities and long-term project operation in the Basin in order to maintain and achieve attainment for typical criteria pollutants. The significance thresholds and the project's corresponding daily emissions are listed in Table 5:

**Table 5: Project Regional Construction Emissions Summary**

Source	Emissions (lbs/day)					
	VOC	NO <sub>x</sub>	CO	SO <sub>x</sub>	PM <sub>10</sub>	PM <sub>2.5</sub>
<b>Total Maximum Daily Emissions</b>	<b>31.32</b>	<b>40.55</b>	<b>21.89</b>	<b>0.04</b>	<b>9.29</b>	<b>5.81</b>
SCAQMD Regional Threshold	75	100	550	150	150	55
<b>Threshold Exceeded?</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>

#### b. Regional Operational Emissions

The estimated maximum daily operational emissions are summarized on Table 6. As shown, the Project is not anticipated to exceed the numerical thresholds of significance established by the SCAQMD for emissions of any criteria pollutants so air quality impacts are less than significant.

**Table 6: Project Maximum Operational Emissions**

<b>Operational Activities – Summer Scenario</b>	<b>Emissions (lbs/day)</b>					
	<b>VOC</b>	<b>NO<sub>x</sub></b>	<b>CO</b>	<b>SO<sub>x</sub></b>	<b>PM<sub>10</sub></b>	<b>PM<sub>2.5</sub></b>
Area Source	2.10	1.7E-04	0.02	--	6.0E-05	6.0E-05
Energy Source	5.54E-03	0.05	0.04	3.0E-04	3.83E-03	3.83E-03
Mobile Emissions	0.54	9.95	5.99	0.06	2.75	0.80
<b>Total Maximum Daily Emissions</b>	2.64	10.00	6.05	0.06	2.75	0.80
SCAQMD Regional Threshold	55	55	550	150	150	55
Threshold Exceeded?	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>
<b>Operational Activities – Winter Scenario</b>	<b>Emissions (lbs/day)</b>					
	<b>VOC</b>	<b>NO<sub>x</sub></b>	<b>CO</b>	<b>SO<sub>x</sub></b>	<b>PM<sub>10</sub></b>	<b>PM<sub>2.5</sub></b>
Area Source	2.10	1.7E-04	0.02	--	6.0E-05	6.0E-05
Energy Source	5.54E-03	0.05	0.04	3.0E-04	3.83E-03	3.83E-03
Mobile Emissions	0.51	10.22	5.51	0.06	2.75	0.80
<b>Total Maximum Daily Emissions</b>	2.62	10.27	5.57	0.06	2.76	0.80
SCAQMD Regional Threshold	55	55	550	150	150	55

<b>Threshold Exceeded?</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>
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### c. Localized Construction Impacts

Table 7 identifies the localized impacts at the nearest receptor location in the vicinity of the Project. Emissions resulting from Project activity construction will not exceed the numerical thresholds of significance established by the SCAQMD for any criteria pollutant. Thus, a less than significant impact would occur for localized Project-related construction-source emissions and no mitigation measures are required.

**Table 7: Project Localized Significance Summary of Construction**

<b>Maximum On-Site Grading Emissions</b>	<b>Emissions (lbs/day)</b>			
	<b>NO<sub>x</sub></b>	<b>CO</b>	<b>PM<sub>10</sub></b>	<b>PM<sub>2.5</sub></b>
<b>Maximum Daily Emissions</b>	<b>40.49</b>	<b>21.15</b>	<b>9.09</b>	<b>5.75</b>
SCAQMD Localized Threshold	237	1,346	12	6
<b>Threshold Exceeded?</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>

### d. Localized Operational Impacts

The estimated maximum daily localized operational emissions are summarized on Table 8. Table 5 represents all on-site Project-related stationary (area) sources and five percent (5%) of the Project-related mobile sources. As such, the 5% assumption is conservative and would tend to overstate the actual impact. The mobile source emissions also include any potential on-site idling that would occur since CalEEMod calculations are inclusive of on-site idling. Modeling based on these assumptions demonstrates that even within broad encompassing parameters, Project operational-source emissions would not exceed applicable LSTs. As shown below, emissions during operational activity would not exceed the SCAQMD's localized significance thresholds for any criteria pollutant and a less than significant impact would occur.

**Table 8: Project Localized Operational Emissions**

Operational Activity	Emissions (lbs/day)			
	NO <sub>x</sub>	CO	PM <sub>10</sub>	PM <sub>2.5</sub>
<b>Maximum Daily Emissions</b>	<b>0.56</b>	<b>0.10</b>	<b>0.14</b>	<b>0.04</b>
SCAQMD Localized Threshold	237	1,346	4	2
<b>Threshold Exceeded?</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>

### **Greenhouse Gas Emissions**

Climate change is the observed increase in the average temperature of the Earth's atmosphere and oceans along with other substantial changes in climate (such as wind patterns, precipitation, and storms) over an extended period of time. Climate change is the result of numerous, cumulative sources of GHG emissions.

GHGs occur naturally and from human activities. Human activities that produce GHGs are the burning of fossil fuels (coal, oil and natural gas for heating and electricity, gasoline and diesel for transportation); methane from landfill wastes and raising livestock; deforestation activities; and some agricultural practices. GHGs produced by human activities include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>). Emissions of GHGs affect the atmosphere directly by changing its chemical composition while changes to the land surface indirectly affect the atmosphere by changing the way in which the Earth absorbs gases from the atmosphere. Project activities will result in emissions of GHGs.

The majority of individual projects do not generate sufficient GHG emissions to directly influence climate change. However, physical changes caused by a project can contribute incrementally to cumulative effects that are significant, even if individual changes resulting from a project are limited. SCAQMD has developed significance thresholds applicable to GHG emissions, which the City has applied to the project's GHG emissions, summarized below.

As shown on Table 9, the project would not exceed the screening threshold of 3,000 MTCO<sub>2</sub>e. The 3,000 MTCO<sub>2</sub>e threshold is based on the SCAQMD's screening threshold and has been used by other agencies in southern California, including the City. Thus, project-related emissions would

not have the potential to have a significant direct or indirect impact on GHG and climate change. Detailed construction and operational model outputs are presented in Attachment B to Appendix E.

**Table 9: Project Greenhouse Gas Emissions**

Emission Source	Emissions (metric tons/year)
	Total CO <sub>2</sub> E
Amortized Construction	15.63
Area	4.69E-04E-03
Energy	86.36
Mobile	949.92
Waste	43.69
Water	118.09
Total CO <sub>2</sub> E (all sources)	1,213.7
<b>Screening Threshold</b>	<b>3,000</b>
<b>Significant?</b>	<b>No</b>

#### iv. Water Quality

Grading and other construction activities associated with the project would have the potential to generate soil erosion and increase sediment loads in stormwater runoff resulting from exposed or disturbed soil. Additionally, spills, leakage, or improper handling and storage of substances such as oils, fuels, chemicals, metals, and other substances from vehicles, equipment, and

materials used during construction phases could also cause pollutants to be collected in stormwater runoff and impact water quality.

Because the project would result in disturbance of more than one acre, on-site construction activities would be subject to the National Pollutant Discharge Elimination System (NPDES) Statewide General Construction Activity Stormwater permit. For covered projects, the NPDES construction permit requires visual monitoring of stormwater and non-stormwater discharges; sampling, analysis, and monitoring of non-visible pollutants; and compliance with applicable water quality standards established for receiving waters potentially affected by construction discharges. Additionally, construction site operators would be responsible for preparing and implementing a Stormwater Pollution Prevention Plan (SWPPP) which outlines project-specific Best Management Practices (BMPs) to control erosion, sediment release, and otherwise reduce the potential for discharge of pollutants in stormwater. Implementation of construction BMPs would minimize surficial erosion and transport of pollutants, and provide compliance with applicable NPDES requirements, thereby protecting water quality both on- and off-site.

The project site is currently vacant and disturbed. The project would have a minor increase in the amount of impervious surfaces on-site with the warehouse building and paved parking and driveway areas. This increase in impervious surface area could generate additional stormwater and potentially impact water quality. The project will comply with all applicable stormwater and operational water quality regulations. Therefore, the operation of the project would not violate water quality standards or substantially degrade water quality.

Accordingly, the project will have no significant effects related to water quality.

#### **Criterion (e)**

*The site can be adequately served by all required utilities and public services.*

The project would be located in an existing urban area served by existing public utilities and services. As the project site is currently vacant, the proposed project would increase utility use over existing conditions. However, the City provides water, sewer, and solid waste collection

services to the surrounding uses in the area. Services to the project site were anticipated and planned for in the City's General Plan. Existing water lines, sewer lines, and electrical infrastructure already exist proximate to the project site. Therefore, the project site can be adequately served by all required utilities and public services.



#### 4. Exceptions to the Class 32 Categorical Exemption

CEQA Guidelines Sections 15300.2(a) through (f) list specific exceptions that dictate when a Categorical Exemption may not be used. In the discussion below, each exception is followed by an explanation of why the exception does not apply to the project.

##### **Exception (a): Location**

This exception only applies to Categorical Exemption Classes 3, 4, 5, 6, and 11, so it is inapplicable to the project.

**Exception (b): Cumulative Impact:** *All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.*

As discussed in the individual sections above, the project would incrementally increase air pollution, GHG emissions, and motor vehicle trips on area roadways. However, there are no other industrial projects of the same time in the vicinity of the project site such that the project would result in cumulative impacts.

**Exception (c): Significant Effect Due to Unusual Circumstances.** *A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.*

There are no unusual circumstances surrounding the project or the project site. Moreover, as supported by the technical studies attached as Appendices A-D, there is no reasonable possibility that the project will have a significant effect on the environment due to unusual circumstances.

**Exception (d): Scenic Highways.** *A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway.*

There is no state scenic highway in the vicinity of the project, so this exception does not apply.

**Exception (e): Hazardous Waste Sites.** *A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.*

The site is not listed pursuant to Government Coded Section 65962.5, so this exception does not apply.

**Exception (f) Historical Resources.** *A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.*

The site is vacant and heavily disturbed. It does not contain any historical resources, so this exception does not apply.

## **5. Summary**

Based on this analysis, the proposed project meets all criteria for a Class 32 Categorical Exemption pursuant to CEQA Guidelines Section 15332. None of the exceptions to the Categorical Exemption listed in CEQA Guidelines Section 15300.2 apply to the proposed project.

## **6. References**

Appendix A – Biological CEQA Technical Memorandum prepared by ELMT Consulting

Appendix B – Trip Generation Assessment prepared by Urban Crossroads, Inc.

Appendix C – Vehicle Miles Traveled Screening Analysis prepared by Urban Crossroads, Inc.

Appendix D – Noise Impact Analysis prepared by Urban Crossroads, Inc.

Appendix E – Air Quality, Greenhouse Gas, and Health Risk Assessment prepared by Urban Crossroads, Inc.

## **Appendix A**

### **Biological CEQA Technical Memorandum prepared by ELMT Consulting**

## **Appendix B**

### **Trip Generation Assessment prepared by Urban Crossroads, Inc.**

## **Appendix C**

### **Vehicle Miles Traveled Screening Analysis prepared by Urban Crossroads, Inc.**

## **Appendix D**

### **Noise Impact Analysis prepared by Urban Crossroads, Inc.**

## **Appendix E**

### **Air Quality, Greenhouse Gas, and Health Risk Assessment prepared by Urban Crossroads, Inc.**



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-751

**Agenda #:** A.

**Agenda Date:** 9/28/2021

**Category:** New Business

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**FROM:**

Management Services

**SUBJECT:**

Issuance of Special Tax Bonds for CFD #31 (Citrus Heights North)

**RECOMMENDATION:**

Adopt **Resolution No. 2021-\_\_\_\_\_** of the City Council of the City of Fontana authorizing the issuance of City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Bonds, Series 2021, in an aggregate principal amount of not to exceed \$9,500,000, authorizing the execution and delivery of a First Supplemental 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:**

- To practice sound fiscal management by developing long-term funding and debt management plans.

**DISCUSSION:**

On June 7, 2005, the City Council authorized the formation of Community Facilities District No. 31 (Citrus Heights North) and conducted a special election to levy taxes within the District. The project consists of 1,098 residential lots located at the northwest intersection of Citrus Avenue and Summit Avenue.

The Community Facilities District previously issued Special Tax Bonds, Series 2006, in the amount of \$26.815 million to fund certain public facilities, and thereafter refinanced those bonds in 2018 to obtain interest rate savings.

The Community Facilities District currently proposes to issue additional bonds, Series 2021, in an amount not to exceed \$9.5 million to fund additional public infrastructure.

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. First Supplemental Indenture
2. Continuing Disclosure Agreement
3. Bond Purchase Agreement
4. Preliminary Official Statement
5. Third Amendment to Acquisition and Funding Agreement



6. Final Appraisal Report.

**FISCAL IMPACT:**

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.

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**FIRST SUPPLEMENTAL INDENTURE**

**by and between**

**CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 31  
(CITRUS HEIGHTS NORTH)**

**and**

**U.S. BANK NATIONAL ASSOCIATION,  
AS TRUSTEE**

**Dated as of [\_\_\_\_\_], 2021**

**Relating to  
City of Fontana  
Community Facilities District No. 31  
(Citrus Heights North)  
Special Tax Bonds, Series 2021**

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## **FIRST SUPPLEMENTAL INDENTURE**

**THIS FIRST SUPPLEMENTAL INDENTURE** (this “First Supplemental Indenture”), dated as of [\_\_\_\_], 2021, is by and between the CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH), a community facilities district organized and existing under the laws of the State of California (the “Community Facilities District”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Trustee (as defined herein).

### **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 special taxes (the “Special Taxes”) to pay for the costs of certain public facilities (the “Facilities”) and to issue bonds payable from the Special Taxes;

**WHEREAS**, in order to provide funds to finance certain of the Facilities, the Community Facilities District previously issued its City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Bonds, Series 2006 (the “Series 2006 Bonds”), in the aggregate principal amount of \$26,815,000;

**WHEREAS**, in order to provide funds to refund all of the outstanding Series 2006 Bonds, the Community Facilities District issued \$18,485,000 aggregate principal amount of City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Refunding Bonds, Series 2018 (the “Series 2018 Bonds”), pursuant to the Indenture, dated as of July 1, 2018 (the “Original Indenture”), by and between the Community Facilities District and U.S. Bank National Association, as trustee (the “Trustee”);

**WHEREAS**, the Original Indenture provides that the Community Facilities District may at any time issue one or more Series of Additional Bonds (in addition to the Series 2018 Bonds) payable from Net Special Tax Revenues as provided therein on a parity with all other Bonds theretofore issued thereunder, but only subject to the conditions set forth therein;

**WHEREAS**, in order to provide funds to finance certain additional Facilities, the Community Facilities District has determined to issue a Series of Additional Bonds, to be designated the City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Bonds, Series 2021 (the “Series 2021 Bonds”), in the aggregate principal amount of \$[\_\_\_\_];

**WHEREAS**, the Original Indenture provides that the Original Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners thereunder 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 without the consent of any Owners 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 the Original Indenture;

**WHEREAS**, in order to provide for the authentication and delivery of the Series 2021 Bonds, to establish and declare the terms and conditions upon which the Series 2021 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 First Supplemental Indenture; and

**WHEREAS**, the Community Facilities District has determined that all acts and proceedings required by law necessary to make the Series 2021 Bonds, when executed by the Community Facilities District, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Community Facilities District, and to constitute this First Supplemental 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 First Supplemental Indenture has been in all respects duly authorized;

**NOW, THEREFORE**, for and in consideration of the mutual promises and covenants herein contained, the receipt of which is hereby acknowledged, the Community Facilities District and the Trustee do hereby agree that the Original Indenture is hereby modified and amended by adding thereto an additional Article, as follows:

## ARTICLE XII

### SERIES 2021 BONDS

**Section 12.01. Definitions.** Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this First Supplemental Indenture and of any certificate, opinion or other document herein or therein mentioned, have the meanings herein specified.

**“First Supplemental Indenture”** means the First Supplemental Indenture, dated as of [\_\_\_\_\_] 1, 2021, by and between the Community Facilities District and U.S. Bank National Association, as Trustee.

**“Series 2021 Bonds”** means the City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Bonds, Series 2021, issued hereunder.

**“Series 2021 Closing Date”** means the date upon which the Series 2021 Bonds are delivered to the Series 2021 Original Purchaser, being [\_\_\_\_\_] 2021.

**“Series 2021 Continuing Disclosure Agreement”** means the Continuing Disclosure Agreement, dated as of [\_\_\_\_\_] 2021, by and between the Community Facilities District and U.S. Bank 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.

**“Series 2021 Original Purchaser”** means the original purchaser of the Series 2021 Bonds from the Community Facilities District.

**“Series 2021 Participating Underwriter”** has the meaning ascribed to the term “Participating Underwriter” in the Series 2021 Continuing Disclosure Agreement.

**“Series 2021 Rebate Fund”** means the fund by that name established and held by the Trustee pursuant to Section 12.07.

**“Series 2021 Rebate Requirement”** has the meaning ascribed to the term “Rebate Requirement” in the Series 2021 Tax Certificate.

**“Series 2021 Tax Certificate”** means the Tax Certificate executed by the Community Facilities District at the time of issuance of the Series 2021 Bonds relating to the requirements of Section 148 of the Code, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

**Section 12.02. Terms of Series 2021 Bonds.** (a) The Series 2021 Bonds shall be designated “City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Bonds, Series 2021.” The aggregate principal amount of Series 2021 Bonds that may be issued and Outstanding under the Indenture shall not exceed \$[\_\_\_\_\_], except as may be otherwise provided in Section 2.08.

(b) The Series 2021 Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 and any integral multiple thereof, so long as no Series 2021 Bond shall have more than one maturity date. The Series 2021 Bonds shall be dated as of the Series 2021 Closing Date, shall be issued 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:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
	\$	%

(c) Interest on the Series 2021 Bonds shall be payable on each Interest Payment Date, commencing [\_\_\_\_\_], 20[\_\_\_\_\_].

(d) Interest on the Series 2021 Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Series 2021 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 2021 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Series 2021 Closing Date, or (iii) interest on any Series 2021 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 2021 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 2021 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 2021 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.

(e) The principal of the Series 2021 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.

(f) The Series 2021 Bonds shall be subject to redemption as provided in Section 12.06.

(g) The Series 2021 Bonds shall be in substantially the form set forth in Exhibit C hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

(h) The Series 2021 Bonds shall initially be issued as Book-Entry Bonds.

**Section 12.03. Issuance of Series 2021 Bonds.** The Community Facilities District may, at any time, execute the Series 2021 Bonds and deliver the same to the Trustee. The Trustee shall authenticate the Series 2021 Bonds and deliver the Series 2021 Bonds to the Series 2021 Original Purchaser upon receipt of a Written Request of the Community Facilities District and upon receipt of the purchase price therefor.

**Section 12.04. Application of Proceeds of the Series 2021 Bonds.** On the Series 2021 Closing Date, the proceeds of the sale of the Series 2021 Bonds received by the Trustee, \$[\_\_\_\_\_], shall be deposited by the Trustee as follows:

(a) the Trustee shall deposit the amount of \$[\_\_\_\_\_] in the Costs of Issuance Fund;

(b) the Trustee shall deposit the amount of \$[\_\_\_\_\_] in the Reserve Fund;

(c) the Trustee shall deposit the amount of \$[\_\_\_\_\_] in the Interest Account of the Bond Fund; and

(d) the Trustee shall deposit the amount of \$[\_\_\_\_\_] in the [\_\_\_\_\_] within the Improvement Fund.

The Trustee may establish and use temporary funds or accounts in its records to facilitate and record such deposits.



**Section 12.05. Costs of Issuance Fund.** (a) The Trustee shall reopen and reestablish the Costs of Issuance Fund. On the Series 2021 Closing Date, the Trustee shall deposit in the Costs of Issuance Fund the amount required to be deposited therein pursuant to Section 12.04.

(b) On the last Business Day that is no later than six months after the Series 2021 Closing Date, the Trustee shall transfer any amount remaining in the Costs of Issuance Fund to the Special Tax Fund and, upon making such transfer, the Costs of Issuance Fund shall be closed.

**Section 12.06. Redemption of Series 2021 Bonds.** (a) *Optional Redemption.* The Series 2021 Bonds maturing on and after September 1, 20[ ] shall be subject to optional redemption, in whole or in part, in Authorized Denominations, on any Interest Payment 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 2021 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 20[ ] and 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

The Community Facilities District shall give the Trustee written notice of its intention to redeem Series 2021 Bonds pursuant to this subsection not less than 45 days (or a lesser number of days acceptable to the Trustee) prior to the applicable redemption date, unless such notice shall be waived by the Trustee.

(b) *Mandatory Redemption from Special Tax Prepayments.* The Series 2021 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 prepaid Special Taxes 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 2021 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 20[ ] and 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 2021 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 2021 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 2021 Bonds maturing on September 1, 20[ ] are redeemed pursuant to Section 12.06(a), the principal amount of Series 2021 Bonds maturing on September 1, 20[ ] to be redeemed pursuant to Section 12.06(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 filed with the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of Series 2021 Bonds maturing on September 1, 20[ ] redeemed pursuant to Section 12.06(a). If some but not all of the Series 2021 Bonds maturing on September 1, 20[ ] are redeemed pursuant to Section 12.06(b), the principal amount of Series 2021 Bonds maturing on September 1, 20[ ] to be redeemed pursuant to Section 12.06(c) on any subsequent September 1 shall be reduced by the aggregate principal amount of the Series 2021 Bonds maturing on September 1, 20[ ] so redeemed pursuant to Section 12.06(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 2021 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 2021 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 2021 Bonds maturing on September 1, 2021 are redeemed pursuant to Section 12.06(a), the principal amount of Series 2021 Bonds maturing on September 1, 20[ ] to be redeemed pursuant to Section 12.06(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 filed with the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of Series 2021 Bonds maturing on September 1, 20[ ] redeemed pursuant to Section 12.06(a). If some but not all of the Series 2021 Bonds maturing on September 1, 20[ ] are redeemed pursuant to Section 12.06(b), the principal amount of Series 2021 Bonds maturing on September 1, 20[ ] to be redeemed pursuant to Section 12.06(c) on any subsequent September 1 shall be reduced by the aggregate principal amount of the Series 2021 Bonds maturing on September 1, 20[ ] so redeemed pursuant to Section 12.06(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 12.07. Series 2021 Rebate Fund.** (a) The Trustee shall establish and maintain a special fund designated the “Series 2021 Rebate Fund.” There shall be deposited in the Series 2021 Rebate Fund such amounts as are required to be deposited therein pursuant to the Series 2021 Tax Certificate, as specified in a Written Request of the Community Facilities District. All money at any time deposited in the Series 2021 Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Series 2021 Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Series 2021 Bonds pursuant to Article X or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Series 2021 Rebate Fund shall be governed exclusively by this Section and by the Series 2021 Tax Certificate (which is incorporated herein by reference). 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 Series 2021 Tax Certificate. The Trustee may conclusively rely upon the Community Facilities District’s determinations, calculations and certifications required by the Series 2021 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 Series 2021 Rebate Fund after payment in full of all of the Series 2021 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 12.08. Series 2021 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 2021 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 Series 2021 Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Series 2021 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 2021 Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Series 2021 Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

**Section 12.09. Continuing Disclosure.** Each of the Community Facilities District and the Trustee shall comply with and carry out all of the provisions of the Series 2021 Continuing Disclosure Agreement applicable to it. Notwithstanding any other provision of the Indenture, failure of the Community Facilities District or the Trustee to comply with the Series 2021 Continuing Disclosure Agreement shall not be considered an Event of Default; provided, however, that the Trustee may (and, at the written direction of the Series 2021 Participating Underwriter or the Owners of at least 25% of the aggregate principal amount of Outstanding Series 2021 Bonds, and upon receipt of indemnification reasonably satisfactory to the Trustee, shall) or any Owner or Beneficial Owner of the Series 2021 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

**Section 12.10. Effect of First Supplemental Indenture.** This First Supplemental Indenture and all of the terms and provisions herein contained shall form part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Indenture. The Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented hereby. If there shall be any conflict between the terms of this First Supplemental Indenture and the terms of the Indenture (as in effect on the day prior to the effective date of this First Supplemental Indenture), the terms of this First Supplemental Indenture shall prevail.

**Section 12.11. Execution in Several Counterparts.** This First Supplemental 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.

**Section 12.12. Effective Date.** This First Supplemental Indenture shall take effect upon the Series 2021 Closing Date.

**IN WITNESS WHEREOF**, the Community Facilities District has caused this First Supplemental Indenture to be signed in its name by its representative thereunto duly authorized, and the Trustee has caused this First Supplemental 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. 31 (CITRUS HEIGHTS NORTH)**

By: \_\_\_\_\_  
Mark Denny, City Manager  
of the City of Fontana

**U.S. BANK NATIONAL  
ASSOCIATION, AS TRUSTEE**

By: \_\_\_\_\_  
Authorized Officer

## EXHIBIT C

### FORM OF SERIES 2021 BOND

No. \_\_\_\_\_

\$ \_\_\_\_\_

**CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 31  
(CITRUS HEIGHTS NORTH)  
SPECIAL TAX BOND, SERIES 2021**

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
%	September 1, 20[ ]		

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT:**

The City of Fontana Community Facilities District No. 31 (Citrus Heights North) (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 [ ], 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 refunding certain previously issued bonds of the Community Facilities District, and is one of the series of bonds designated “City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Bonds, Series 2021” (the “Series 2021 Bonds”) in the aggregate principal amount of \$[ ]. The Series 2021 Bonds are issued pursuant to the Indenture, dated as of July 1, 2018, by and between the Community Facilities District and U.S. Bank National Association, as trustee (said entity or any successor thereto as trustee under the Indenture, the “Trustee”), as supplemented by the First Supplemental Indenture of Trust, dated as of [ ] 1, 2021 (as so supplemented, the “Indenture”), by and between the Community Facilities District and the Trustee, and this reference incorporates the Indenture herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. The Community Facilities District has previously issued its City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Refunding Bonds, Series 2018 (the “Series 2018 Bonds”), with which the Series 2021 Bonds are on a parity. 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 2018 Bonds and the Series 2021 Bonds. The Series 2018 Bonds, the Series 2021 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 2021 Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (a) a Series 2021 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 2021 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 2021 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 2021 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 2021 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 2021 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 2021 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 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 2021 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 2021 Bond or any portion thereof shall be given as provided in the Indenture.

The Series 2021 Bonds are issuable as fully-registered Bonds without coupons in Authorized Denominations (\$5,000 and any integral multiple thereof).

Any Series 2021 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 2021 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 2021 Bond or Series 2021 Bonds shall be so surrendered for transfer, the Community Facilities District shall execute and the Trustee shall authenticate and shall deliver a new Series 2021 Bond or Series 2021 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 2021 Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Series 2021 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. 31  
(CITRUS HEIGHTS NORTH)**

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 2021 Bonds described in the within-mentioned Indenture and registered on the Registration Books.

Date: \_\_\_\_\_

**U.S. BANK 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. 31  
(CITRUS HEIGHTS NORTH)**

**U.S. BANK NATIONAL ASSOCIATION,  
AS TRUSTEE**

**and**

**U.S. BANK NATIONAL ASSOCIATION,  
AS DISSEMINATION AGENT**

**Dated as of [\_\_\_\_\_] 1, 2021**

**City of Fontana  
Community Facilities District No. 31  
(Citrus Heights North)  
Special Tax Bonds, Series 2021**

## CONTINUING DISCLOSURE AGREEMENT

**THIS CONTINUING DISCLOSURE AGREEMENT** (this “Disclosure Agreement”), dated as of [\_\_\_\_\_] 1, 2021, is by and among CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH), a community facilities district organized and existing under the laws of the State of California (the “Community Facilities District”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America (“U.S. Bank”), in its capacity as Trustee (the “Trustee”) and 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. 31 (Citrus Heights North) Special Tax Bonds, Series 2021 (the “Series 2021 Bonds”), in the aggregate principal amount of \$[\_\_\_\_\_] pursuant to the Indenture, dated as of July 1, 2018, by and between the Community Facilities District and the Trustee, as modified and amended by the First Supplemental Indenture, dated as of [\_\_\_\_\_] 1, 2021 (as so modified and amended, the “Indenture”); 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 2021 Bonds and in order to assist the underwriter of the Series 2021 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 the City of Fontana Community Facilities District No. 31 (Citrus Heights North), a community facilities district organized and existing under the laws of the State, and its successors.

**“Disclosure Representative”** means the Management Services Director 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, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Community Facilities District and which 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 July 1, 2018, by and between the Community Facilities District and U.S. Bank National Association, as trustee, as modified and amended by the First Supplemental Indenture, dated as of [\_\_\_\_\_] 1, 2021, by and between the Community Facilities District and U.S. Bank National Association, as trustee, as it may be further 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 2021 Bonds required to comply with the Rule in connection with the offering of the Series 2021 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 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 2020-21 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 2021 Bonds Outstanding as of the December 31 next preceding the Annual Report Date;

(ii) The principal amount of Series 2018 Bonds and 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 the (A) Acquisition Account, and (B) the Construction 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 Taxes are 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, aggregated 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 Special Taxes 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 Special Taxes 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 2021 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 2021 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 2021 Bonds or other material events affecting the tax status of the Series 2021 Bonds.
- (ii) Modifications to rights of holders of the Series 2021 Bonds.
- (iii) Series 2021 Bond calls.
- (iv) Release, substitution, or sale of property securing repayment of the Series 2021 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 2021 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 2021 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 2021 Bonds. If such termination occurs prior to the final maturity of the Series 2021 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 2021 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 2021 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 2021 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 2021 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 2021 Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Trustee), or any Owner or Beneficial Owner of the Series 2021 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 which it may incur in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, and which are not due to its 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 2021 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. 31 (CITRUS HEIGHTS NORTH)**

By: \_\_\_\_\_  
[ ]  
[ ]

**U.S. BANK NATIONAL ASSOCIATION,  
AS TRUSTEE**

By: \_\_\_\_\_  
Authorized Signatory

**U.S. BANK 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. 31 (Citrus Heights North)  
Name of Issue: City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Bonds, Series 2021  
Date of Issuance: [\_\_\_\_], 2021

NOTICE IS HEREBY GIVEN that the City of Fontana Community Facilities District No. 31 (Citrus Heights North) (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, 2021, by and among the Community Facilities District and U.S. Bank National Association, in its capacity as Trustee and in its capacity as Dissemination Agent. [The Community Facilities District anticipates that such Annual Report will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

U.S. Bank National Association, as  
Dissemination Agent, on behalf of  
the City of Fontana Community  
Facilities District No. 31 (Citrus  
Heights North)

cc: City of Fontana  
Community Facilities District  
No. 31 (Citrus Heights North)

## BOND PURCHASE AGREEMENT

\$[PAR]  
CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)  
SPECIAL TAX BONDS, SERIES 2021

[Pricing Date]

City of Fontana Community Facilities  
District No. 31 (Citrus Heights North)  
c/o City of Fontana  
8353 Sierra Avenue  
Fontana, California 92335  
Attention: [Director of Management Services]

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. 31 (Citrus Heights North) (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 September 28, 2021 (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 taxes that provide a source of payment for the Bonds (the “**Special Taxes**”) will be levied under Ordinance No. 1479 adopted by the City Council on June 21, 2005 (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 Taxes: (i) Resolution No. 2005-35 (the “**Resolution of Intention to Form the District**”), (ii) Resolution No. 2005-36 (the “**Resolution of Intention to Incur Bonded Indebtedness**”), (iii) Resolution No. 2005-60 (“**Resolution Declaring Necessity to Incur Bonded Indebtedness**”), (iv) Resolution No. 2005-59 (the “**Resolution of Formation**”), (v) Resolution No. 2005-61 (the “**Resolution Calling Election**”), and (vi) Resolution No. 2005-62 (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, dated as of July 1, 2018 (the “**Original Indenture**”), as supplemented by a First Supplemental Indenture dated as of October 1, 2021 (the “**First Supplemental Indenture**”), each by and between the Issuer and U.S. Bank 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, (iii) fund capitalized interest on a portion of the Bonds through September 1, 2022, and (iv) pay the costs of issuing the Bonds. Proceeds of the Bonds will be applied in accordance with the Indenture. The Original Indenture as supplemented by the First Supplemental Indenture is referred to herein as 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, 2021 (the

**“District Continuing Disclosure Agreement”**). The form of the District Continuing Disclosure Agreement is attached as 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-two paragraphs of the caption “INTRODUCTION – The District”, information under the caption “PROPERTY OWNERSHIP AND THE DEVELOPMENTS,” 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 caption “INTRODUCTION – The District”, information under the caption “PROPERTY OWNERSHIP AND THE DEVELOPMENTS,” and information relating to DTC and its book-entry system) or omit to state any material fact (excluding information under the caption “INTRODUCTION – The District,” information under the caption “PROPERTY OWNERSHIP AND THE DEVELOPMENTS,” 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 Taxes.

- (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 on a parity with the District's Special Tax Refunding Bonds, Series 2018.
- (n) The Special Taxes 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 First Supplemental 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;
- (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;
- (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 mentioned in the section entitled "Special Taxes" as to which no opinion need be expressed)," "TAX MATTERS," and in Appendix C 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) A certified copy of the Bond Resolution and a certificate dated as of the Closing Date of the City Clerk to the effect that the other Resolutions and Ordinance have not been amended, modified or rescinded since the date of their adoption and each remains in full force and effect as of the Closing Date.
- (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 Taxes 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 SC Fontana Development Company, LLC, a Delaware limited liability company, Richmond American Homes of Maryland, Inc., Taylor Morrison, Inc., a California corporation, PLC Shady Trails, LLC, a Delaware limited liability company, and Tri Pointe Homes, Inc., a California corporation (collectively, the “**Developers**” and each a “**Developer**”), 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.
- (xviii) A Closing Certificate from each Developer, dated the Closing Date, in the form attached hereto as Exhibit H.
- (xix) (i) A negative assurance letter of respective counsel to each Developer, dated the date of the Closing, in form and substance acceptable to the Underwriter and Bond Counsel;
- (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 13, 2021 (the “**Appraisal Report**”), was prepared by the Appraiser, (ii) the Appraisal Report fairly and accurately described, as of the stated date of value, the market values of the properties in the District that are subject to the Special Taxes, (iii) the Appraiser is not aware of any event or act which occurred since the date of the Appraisal Report 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 Official Statement provided by Empire Economics, Inc. and all information supplied by it for use in the Official Statement were as of the date of the Official Statement 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) One or more certificates that when taken together satisfy the requirements of Section 3.05(c) of the Indenture.

(xxiii) 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 (5<sup>th</sup>) 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. 31  
(CITRUS HEIGHTS NORTH)**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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, 2029 are subject to optional redemption, in whole or in part, in Authorized Denominations, on any Interest Payment Date on or after September 1, 2028, 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, 2028 and March 1, 2029	103%
September 1, 2029 and March 1, 2030	102
September 1, 2030 and March 1, 2031	101
September 1, 2031 and any Interest Payment Date 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 prepaid Special Taxes 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 from March 1, 2022 through March 1, 2029	103%
September 1, 2029 and March 1, 2030	102
September 1, 2030 and March 1, 2031	101
September 1, 2031 and any Interest Payment Date thereafter	100

***Mandatory Sinking Fund Redemption.*** The Bonds maturing September 1, 20\_\_, September 1, 20\_\_ and September 1, 20\_\_ (collectively, the “**Term Bonds**”) shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20\_\_, September 1, 20\_\_ and September 1, 20\_\_, respectively, at a Redemption Price equal to the principal amount of the Term Bonds 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>
--	--

(maturity)

**Term Bond maturing on September 1, 20\_\_**

Sinking Fund  
Redemption Date  
(September 1)

Principal Amount  
to be  
Redeemed

(maturity)

**Term Bond maturing on September 1, 20\_\_**

Sinking Fund  
Redemption Date  
(September 1)

Principal Amount  
to be  
Redeemed

(maturity)

**EXHIBIT B**

**§[PAR]  
CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)  
SPECIAL TAX BONDS, SERIES 2021**

**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. 31 (Citrus Heights North) (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. 31 (CITRUS HEIGHTS NORTH)  
SPECIAL TAX BONDS, SERIES 2021

### 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. 31 (Citrus Heights North) (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. 31  
(CITRUS HEIGHTS NORTH)**

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT D**

**CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)  
SPECIAL TAX BONDS, SERIES 2021**

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. 31 (Citrus Heights North) (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 \_\_\_\_\_, 2021.

**CITY OF FONTANA COMMUNITY  
FACILITIES DISTRICT NO. 31 (CITRUS  
HEIGHTS NORTH)**

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT E**

**§[PAR]  
CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)  
SPECIAL TAX BONDS, SERIES 2021**

**CERTIFICATE OF U.S. BANK NATIONAL ASSOCIATION**

The undersigned hereby states and certifies that the undersigned is an authorized officer of U.S. Bank National Association, as trustee (the “**Trustee**”) under that certain Indenture, dated as of July 1, 2018 (the “**Original Indenture**”), as supplemented by a First Supplemental Indenture, dated as of October 1, 2021 (the “**First Supplemental Indenture**”), each between City of Fontana Community Facilities District No. 31 (Citrus Heights North) (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 Original Indenture as supplemented by the First Supplemental Indenture (as so supplemented, the “**Indenture**”) and the District Continuing Disclosure Agreement.
- (2) The First Supplemental 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 NATIONAL ASSOCIATION,  
as Trustee**

By \_\_\_\_\_  
Authorized Officer



**EXHIBIT F**

**\$(PAR)  
CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)  
SPECIAL TAX BONDS, SERIES 2021**

**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. 31 (Citrus Heights North) (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**

**CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)  
SPECIAL TAX BONDS, SERIES 2021**

**LETTER OF REPRESENTATIONS  
([INSERT NAME OF DEVELOPER])**

[POS Date]

City of Fontana Community Facilities  
District No. 31 (Citrus Heights North)  
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. 31 (Citrus Heights North) Special Tax Bonds, Series 2021 (the “Bonds”) and to the Bond Purchase Agreement to be entered into in connection therewith (the “Bond Purchase Agreement”). This Letter of Representations ([INSERT NAME OF DEVELOPER]) (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 [SC Fontana Development Company, LLC, a Delaware limited liability company ]/[Richmond American Homes of Maryland, Inc.]/[Taylor Morrison, Inc., a California corporation]/[PLC Shady Trails, LLC, a Delaware limited liability company]/[Tri Pointe Homes, Inc., a California corporation] (the “Developer”), and the undersigned, on behalf of the Developer, further certifies as follows:

1. [FOR SC FONTANA: The Developer is duly organized and validly existing under the laws of the State of California, and has all requisite right, power and authority (i) to execute and deliver this Letter of Representations]. [FOR ALL OTHERS: The Developer is duly organized and validly existing under the laws of the State of [INSERT], and has all requisite 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. 31 (Citrus Heights North) (the “Community Facilities District”) as described in the Preliminary Official Statement].

2. [FOR SC FONTANA: The Developer is the master developer of the property within the Community Facilities District (the “Property”) and is an affiliate of Lewis Management Corp., a Delaware corporation. The undersigned, on behalf of the Developer, makes the representations herein with respect to all such Property.] [FOR ALL OTHERS: 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 (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 expectations are 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, 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. [FOR SC FONTANA: 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 taxes levied on the Property by the Community Facilities District (the "**Special Taxes**") 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, or (c) in any way contesting or affecting the validity of the Special Taxes.] [FOR ALL OTHERS: 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 taxes levied on the Property by the Community Facilities District (the "**Special Taxes**") 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)

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<sup>1</sup> "Actual Knowledge of the Undersigned" means the knowledge that the individual signing on behalf of the Developer currently has as of the date of this Letter of Representations 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 Taxes 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 Taxes on the Property). "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.

to restrain or enjoin the development of the Property as described in the Preliminary Official Statement, (c) in any way contesting or affecting the validity of the Special Taxes, or (d) which is reasonably likely to materially and adversely affect the Developer's ability to develop and sell the Property as described in the Preliminary Official Statement or to pay the Special Taxes due with respect to the Property (to the extent the responsibility of the Developer) prior to delinquency.]

4. [FOR SC FONTANA: 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 Affiliates, ownership of the Property, the Development Agreement and status of required infrastructure to serve the Community Facilities District as set forth under the sections of the Preliminary Official Statement captioned "INTRODUCTION – The District" (first two paragraphs only), and "PROPERTY OWNERSHIP AND THE DEVELOPMENTS – The Master Developer," "– Development Plan – *Development Plan*," and "– Development Plan – *General Description of the District*" (but in all cases under all captions excluding therefrom (i) information regarding the Appraisal, 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.] [FOR ALL OTHERS: 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 Affiliates, 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" (first two paragraphs only), and "PROPERTY OWNERSHIP AND THE DEVELOPMENTS – The Merchant Builders – [Richmond American,]/[Taylor Morrison,]/[PLC,]/[Tri Pointe,]" "– Development Plan – [Richmond American,]/[Taylor Morrison,]/[PLC,]/[Tri Pointe,]" and "– Financing Plan – [Richmond American,]/[Taylor Morrison,]/[PLC,]/[Tri Pointe,]" (but in all cases under all captions excluding therefrom (i) information regarding the Appraisal, 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. [FOR ALL EXCEPT SC FONTANA] 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 Taxes due with respect to the Property (to the extent the responsibility of the Developer) prior to delinquency.]

6. [FOR ALL] To the Actual Knowledge of the Undersigned, 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. [FOR ALL] 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 Taxes 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 Taxes have not been levied in accordance with the methodologies contained in the Rate and Method of Apportionment of Special Taxes pursuant to which Special Taxes are levied, (b) an action or suit with respect to the application or use of the Special Taxes 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. [FOR ALL] The Developer consents to the issuance of the Bonds. The Developer expects that the proceeds of the Bonds will be used as described in the Preliminary Official Statement.

9. [FOR ALL EXCEPT SC FONTANA] 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, or portions thereof.

10. [FOR ALL EXCEPT SC FONTANA] 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. [FOR ALL EXCEPT SC FONTANA] 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 could have a materially adverse impact on the ability of the Developer to develop its Property as described in the Preliminary Official Statement, or to pay the Special Taxes 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.

12. [FOR ALL EXCEPT SC FONTANA] 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 southern 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 Developer or its Affiliates in a court of law.

13. [FOR ALL EXCEPT SC FONTANA] 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.

14. [FOR ALL EXCEPT SC FONTANA] 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 development of the Property as described in the Preliminary Official Statement, or the payment of the Special Taxes due with respect to the Property (to the extent the responsibility of the Developer) prior to delinquency.

15. [FOR ALL EXCEPT SC FONTANA] 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 Taxes 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 Taxes. 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.

16. [FOR ALL EXCEPT SC FONTANA] An appraisal of the taxable properties within the Community Facilities District, dated August 13, 2021 (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 August 1, 2021 (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.

17. [FOR ALL] 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 reasonably 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 both 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 in the first paragraph of this Section. 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 as to which the Developer has an obligation to indemnify such Indemnified

Party, 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.

18. [FOR SC FONTANA: If between the date hereof and the Closing Date any event relating to or affecting the Developer shall occur of which the Developer has actual knowledge which would cause the information under the sections of the Preliminary Official Statement indicated 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.] [FOR ALL OTHERS: If between the date hereof and the Closing Date any event relating to or affecting the Developer, its Affiliates, 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) shall occur of which the Developer has actual knowledge which would cause the information under the sections of the Preliminary Official Statement indicated 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.]

19. [FOR ALL] 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.

20. [FOR ALL] On behalf of the Developer, I have reviewed the contents of this Letter of Representations and have had the opportunity to consult with counsel to the Developer for the purpose of discussing 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.



21. The undersigned has executed this Letter of Representations solely in his or her capacity as an officer 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.

[DEVELOPER]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE TO LETTER OF REPRESENTATIONS]

**EXHIBIT A**

**DEVELOPER PROVIDED INFORMATION IN APPRAISAL REPORT**

**EXHIBIT H**

**§[PAR]  
CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)  
SPECIAL TAX BONDS, SERIES 2021**

**CLOSING CERTIFICATE  
([INSERT NAME OF DEVELOPER])**

[Closing Date]

City of Fontana Community Facilities  
District No. 31 (Citrus Heights North)  
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 ([INSERT NAME OF DEVELOPER]) (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 ([INSERT NAME OF DEVELOPER]), dated [POS Date] (the “**Letter of Representations**”), delivered by [SC Fontana Development Company, LLC, a Delaware limited liability company ]/[Richmond American Homes of Maryland, Inc.]/[ Taylor Morrison, Inc., a California corporation]/[PLC Shady Trails, LLC, a Delaware limited liability company]/[Tri Pointe Homes, Inc., a California 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. [FOR SC FONTANA: 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, ownership of the Property, the Development Agreement and status of required infrastructure to serve the Community Facilities District, 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.] [FOR ALL OTHERS: 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, 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), 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, 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) 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 not misleading in the light of the circumstances existing at the time it was delivered to a purchaser, 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, 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 existing at the time the Official Statement is delivered to a purchaser, not misleading.

The undersigned has executed this Closing Certificate solely in his or her capacity as an officer 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.

[DEVELOPER]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT I

### FORM OF ISSUE PRICE CERTIFICATION

\$[PAR]  
CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)  
SPECIAL TAX BONDS, SERIES 2021

### FORM OF 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.\*\*]

## 2. *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. 31 (Citrus Heights North).
  - (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).
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: \_\_\_\_\_  
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. 31 (CITRUS HEIGHTS NORTH)  
SPECIAL TAX BONDS, SERIES 2021**

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. 31 (Citrus Heights North).
- (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:

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 SEPTEMBER \_\_, 2021**

**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 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.*

**\$8,020,000\***

**CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)  
SPECIAL TAX BONDS, SERIES 2021**

**Dated: Date of Delivery**

**Due: September 1, as shown on the inside cover page**

The City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Bonds, Series 2021 (the “Bonds”) are being issued and delivered by City of Fontana Community Facilities District No. 31 (Citrus Heights North) (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 securing the Bonds and the 2018 Bonds (defined below), (iii) fund capitalized interest on a portion of the Bonds through September 1, 2022, and (iv) 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 July 1, 2018, by and between the District and U.S. Bank National Association, as Trustee, as supplemented by that certain First Supplemental Indenture, dated as of October 1, 2021, by and between the District and U.S. Bank National Association, as Trustee. The Bonds are special 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, on a parity with the District’s Special Tax Refunding Bonds, Series 2018 (the “2018 Bonds”). Special Taxes (as defined herein) are 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, 2022. 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 G— “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. EXCEPT FOR THE NET SPECIAL TAX REVENUES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY BUT ARE SPECIAL 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 October \_\_, 2021.*

**[STIFEL LOGO]**

Dated: October \_\_, 2021.

\* Preliminary, subject to change

**MATURITY SCHEDULE**  
**BASE CUSIP<sup>†</sup>: \_\_\_\_\_**

<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<sup>†</sup> No. \_\_\_\_\_

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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 S&P Global Market Intelligence. Copyright © 2021 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  
Phillip Cothran, Mayor Pro Tem  
Peter Garcia, Council Member  
John Roberts, Council Member  
Jesus “Jesse” Sandoval, Council Member

**STAFF**

Mark Denny, City Manager  
Lisa A. Strong, Management Services Director  
Janet Koehler-Brooks, City Treasurer  
Tonia Lewis, 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 National Association  
Los Angeles, California

**SPECIAL TAX CONSULTANT**

DTA, Inc.  
Newport Beach, California

**APPRAISER**

Kitty Siino & Associates, Inc.  
Tustin, 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 DEVELOPMENTS.”

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 F, neither the District nor the City plans to issue any updates or revisions to the forward-looking statements set forth in this Official Statement. 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]

**\$8,020,000\***  
**CITY OF FONTANA**  
**COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)**  
**SPECIAL TAX BONDS, SERIES 2021**

**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. 31 (Citrus Heights North) Special Tax Bonds, Series 2021 (the “Bonds”) by the City of Fontana Community Facilities District No. 31 (Citrus Heights North) (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 the reserve fund requirement for the Bonds in the reserve fund for the Bonds and the 2018 Bonds (the “Reserve Fund”), to fund capitalized interest on a portion of the Bonds through September 1, 2022, 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 July 1, 2018 (the “Original Indenture”), by and between the District and U.S. Bank National Association, as trustee (the “Trustee”), as supplemented by that certain First Supplemental Indenture, dated as of October 1, 2021 (the “First Supplemental Indenture” and together with the Original Indenture, the “Indenture”) by and between the District and U.S. Bank National Association, as 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, on a parity with the District’s Special Tax Refunding Bonds, Series 2018 (the “2018 Bonds”) which are currently outstanding in the aggregate principal amount of \$16,290,000.

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 and the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of the Bonds to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined shall have the meaning set forth in Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Definitions” herein.

**The District**

The District includes approximately 215.9 gross acres and approximately 106.9 net acres and is located in the northern portion of the City of Fontana (the “City”), near Interstate 15 and Summit Avenue, in the western portion of San Bernardino County (the “County”). The District is bounded to the south by Summit Avenue, on the east by Citrus Avenue, and on the west by Lytle Creek Road.

The master developer of the property within the District is SC Fontana Development Company, LLC (the “Master Developer”), a Delaware limited liability company and affiliate of Lewis Management Corp., a

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\* Preliminary, subject to change.

Delaware corporation (“Lewis Management Corp.”). The property within the District is being developed into a master planned community known as “Shady Trails.” At build-out, Shady Trails is planned to contain twelve neighborhoods consisting of 1,011 attached and detached single-family residential units. 629 homes have been completed and conveyed to individual homeowners with the remaining 392 proposed homes within Planning Areas 13, 14, 16 and 17 of the District, 10 of which have been completed and conveyed to individual homeowners, being developed into four new neighborhoods known as “Wisteria,” “Aspen Court,” “Birch Bend,” and “Juniper,” respectively. The property within Planning Areas 13, 14, 16 and 17 of the District includes 32.7 net acres and is proposed to include 162 single-family detached condominium pads and 230 single-family attached residential units. Richmond American Homes of Maryland, Inc. a Maryland corporation (“Richmond American”) purchased Wisteria from the Master Developer in two take-downs based on an agreement signed in June 2019. The first take-down was for 61 lots with a minimum building pad size of 2,800 square feet which closed in August 2020. The second take-down was for 41 lots and closed on June 2, 2021. Taylor Morrison, Inc., a California corporation (“Taylor Morrison”) purchased Aspen Court from the Master Developer in January 2021. PLC Shady Trails, LLC, a Delaware limited liability company (“PLC”) purchased Juniper from the Master Developer in January 2021. Tri Pointe Homes, Inc., a California corporation (“Tri Pointe” and, together with Richmond American, Taylor Morrison, and PLC, the “Merchant Builders”) purchased Birch Bend from the Master Developer in January 2021.

As of August 1, 2021, the date of value of the Appraisal (defined herein), within Planning Areas 13, 14, 16 and 17 of the District, there were 10 homes completed and conveyed to individual homeowners, 16 model homes, 18 homes were over 95% complete (17 of which were in escrow), 78 homes were under construction (38 of which were in escrow) and the remaining 270 lots were in a finished lot/pad condition (5 of which were in escrow). As of August 1, 2021, of the 102 proposed single-family detached residential units within the Wisteria neighborhood, 10 homes had been completed and conveyed to individual homeowners, 3 model homes had been completed, 10 homes were over 95% complete (all of which were in escrow), 31 homes were under construction (all of which were in escrow) and the remaining 48 lots were in a finished lot condition (5 of which were in escrow) and owned by Richmond American. As of August 1, 2021, of the 60 proposed single-family detached condominium courtyard homes within Aspen Court, 4 model homes had been completed, 8 homes were over 95% complete (7 of which were in escrow), 16 homes were under construction (2 of which were in escrow) and the remaining 32 pads were in a finished condition (none of which were in escrow) and owned by Taylor Morrison. As of August 1, 2021, of the 91 proposed homes within the Juniper neighborhood, 4 model homes had been completed, 9 homes were under construction (none of which were in escrow) and the remaining 78 pads were in a finished lot condition (none of which were in escrow) and owned by PLC. As of August 1, 2021, of the 139 proposed homes within the Birch Bend neighborhood, 5 model homes had been completed, 22 homes were under construction (5 of which were in escrow) and the remaining 112 pads were in a finished condition (none of which were in escrow) and owned by Tri Pointe. Sales contracts are subject to cancelation and, therefore, homes currently in escrow may not result in closed escrows with the prospective homebuyers. 108 building permits had been obtained within Planning Areas 13, 14, 16 and 17 of the District as of August 1, 2021. 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 an authorized list of facilities (the

“Facilities”). Following a public hearing 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 June 7, 2005, at an election held pursuant to the Act, the Master Developer, who comprised the qualified voter of the District, authorized the District to incur bonded indebtedness in the aggregate principal amount not to exceed \$36,000,000 to be secured by the levy of Special Taxes (defined below) on taxable property within the District for the purpose of financing the Facilities to serve the area within the District and its neighboring areas, and the levy of an additional special tax to finance the Services. On that same date, the Master Developer, as the qualified voter within the District approved the rate and method of apportionment of special taxes (the “Rate and Method”) which establishes a special tax for the Facilities, referred to as “Special Tax A” and a special tax for the Services, referred to as “Special Tax B.” The Rate and Method is set forth in Appendix A hereto. On June 15, 2005, a Notice of Special Tax Lien was recorded in the Office of the County Recorder as Document No. 2005-0427039 for the District.

On July 11, 2018, the District issued the 2018 Bonds to refund the District’s outstanding Special Tax Bonds, Series 2006, to fund the Reserve Fund, and to pay the costs of issuance of the 2018 Bonds. The District may at any time after the issuance and delivery of the Bonds issue additional bonds issued under the Indenture (the “Additional Bonds”) for the purpose of financing additional Facilities payable from Net Special Tax Revenues on a parity with the Outstanding 2018 Bonds and Bonds. Additional Bonds may also be issued for the purpose of refunding all or a portion of the 2018 Bonds, the Bonds or Additional Bonds then Outstanding, for providing funds to pay costs of issuance incurred in connection with the issuance of such Additional Bonds, and providing funds to make any deposit to the Reserve Fund required under the Indenture in connection with the issuance of such Additional Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additional Bonds”.

As used in this Official Statement, the terms “Special Tax” or “Special Taxes” refer only to the Special Tax A for Facilities and does not include the Special Tax B for services. The Special Tax B for services is not pledged under the Indenture nor is the Special Tax B for services available to pay debt service on the Bonds and any additional bonds issued under the Indenture and secured on a parity with the Bonds (the “Additional 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 is co-equal with the lien of the Special Tax B for services.

### **Security and Sources of Payment for the Bonds**

Under the Indenture, the City has pledged to repay the 2018 Bonds, the Bonds and any Additional Bonds from Net Special Tax Revenues and any other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund. 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 Taxes 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 Taxes, 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 Taxes and preparing the annual Special Tax collection schedules and the costs of collecting the Special Taxes, the costs of remitting the Special Taxes 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 Taxes and disclosures to Owners, the costs of the District related to an appeal of the Special Taxes, 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 delinquent Special Taxes.

Net Special Tax Revenues are the primary security for the repayment of the 2018 Bonds, 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 2018 Bonds, 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, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE SPECIAL 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 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 G — “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 G — “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 C — “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 September 7, 2021 with a date of value as of August 1, 2021 (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 August 1, 2021, the minimum market value of the Taxable Property within Planning Areas 13, 14, 16 & 17 of the District was not less than \$70,081,122 (the “Appraised Value”). The value of the taxable property within the District equals \$356,308,292 (the “Value”), and is the sum of the aggregate Appraised Value of the Taxable Property within Planning Areas 13, 14, 16 & 17 of the District, plus the aggregate Fiscal Year 2021-22 assessed value of all other Taxable Property within the District in the amount of \$286,227,170. See “THE COMMUNITY FACILITIES DISTRICT — Estimated 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) within



Planning Areas 13, 14, 16 & 17 of the District is less than the minimum market value of such property reported in the Appraisal.

### **Professionals Involved in the Offering**

U.S. Bank 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. 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. See the form of District Continuing Disclosure Agreement attached as Appendix F 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.

### **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: Lisa Strong.

## ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the expected sources and uses of Bond proceeds.

### Sources:

Principal Amount of the Bonds	\$
Plus Original Issue Premium	
Less: Underwriter's Discount	
Total	<u>\$</u>

### Uses:

Improvement Fund	\$
Reserve Fund <sup>(1)</sup>	
Interest Account of the Bond Fund <sup>(2)</sup>	
Costs of Issuance Fund	
Total	<u>\$</u>

<sup>(1)</sup> Equal to the Reserve Requirement for the Bonds.

<sup>(2)</sup> Represents capitalized interest on a portion of the Bonds through September 1, 2022.

## 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, 2022 (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 Series 2021 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 G — “INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM.”

The Bonds are not general obligations of the District but are special 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. See “SPECIAL RISK FACTORS — Bonds Are Limited Obligations.”

## Redemption

***Optional Redemption.***\* The Bonds maturing on and after September 1, 2029 are subject to optional redemption, in whole or in part, in Authorized Denominations, on any Interest Payment Date on or after September 1, 2028, 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:

<b><i>Redemption Dates</i></b>	<b><i>Redemption Price</i></b>
September 1, 2028 and March 1, 2029	103%
September 1, 2029 and March 1, 2030	102
September 1, 2030 and March 1, 2031	101
September 1, 2031 and any Interest Payment Date 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 prepaid Special Taxes 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”), 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:

<b><i>Redemption Dates</i></b>	<b><i>Redemption Price</i></b>
Any Interest Payment Date from March 1, 2022 through March 1, 2029	103%
September 1, 2029 and March 1, 2030	102
September 1, 2030 and March 1, 2031	101
September 1, 2031 and any Interest Payment Date thereafter	100

See the caption “SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Special Tax Prepayments” for a discussion of the potential for a lower than expected yield on the Bonds as a result of a special mandatory redemption from prepayment of Special Taxes.

***Mandatory Sinking Fund Redemption.*** The Bonds maturing September 1, 20\_\_ are 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:

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\* Preliminary, subject to change.

***Sinking Fund  
Redemption Date  
(September 1)***

***Principal Amount  
to be Redeemed***

\$

\*

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(\*) Maturity

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 filed with 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 redeemed, 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, the Trustee will select the Bonds to be redeemed from all Bonds not previously called for redemption (i) with respect to any optional redemption of Bonds, among maturities of the Bonds as directed in a Written Request of the District, and (ii) with respect to any redemption of Bonds from prepayments of Special Taxes, among maturities of all Series of the 2018 Bonds, the Bonds and any Additional Bonds on a *pro rata* basis as nearly as practicable. The Trustee shall select for redemption the 2018 Bonds, the Bonds and any Additional Bonds of the same Series with the same maturity by lot in any manner in which the Trustee, in its sole discretion, shall deem appropriate. For purposes of such selection, all 2018 Bonds, the Bonds and any Additional Bonds shall be deemed to be comprised of separate \$5,000 denominations, and such separate denominations shall be treated as separate 2018 Bonds, Bonds or Additional Bonds, as applicable, which 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 G — “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 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.



Taxes 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 Taxes (which shall be limited to the amount of said lien and interest and penalties thereon). The Indenture defines the term “Special Taxes” as the special taxes described and defined in the Rate and Method as “Special Tax A” 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 Taxes and preparing the annual Special Tax collection schedules and the costs of collecting the Special Taxes, the costs of remitting the Special Taxes 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 Taxes and disclosures to Owners, the costs of the District related to an appeal of the Special Taxes, 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 delinquent Special Taxes.

Under the Rate and Method, parcels of Taxable Property are classified as Developed Property if the Final Subdivision for such parcel was recorded on or before January 1 of the prior Fiscal Year and a building permit has been obtained for such parcel by March 1 of the Fiscal Year preceding the Special Tax levy. For the Fiscal Year 2021-22 Special Tax levy, based on the development status within the District as of March 1, 2021, 619 parcels of Taxable Property will be classified as Developed Property. For the estimated Fiscal Year 2022-23 Special Tax levy, based on development status within the District as of August 1, 2021, 670 parcels of Taxable Property will be classified as Developed Property. Additionally, as of August 1, 2021, approximately 27.2 acres within the District will be classified as Undeveloped Property for the Fiscal Year 2022-23 Special Tax levy. See “PROPERTY OWNERSHIP AND THE DEVELOPMENTS.” Under no circumstances may the amount of Special Taxes 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 2018 Bonds, 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 2018 Bonds, 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, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET SPECIAL TAX REVENUES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY BUT ARE SPECIAL OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET SPECIAL TAX REVENUES AND OTHER ASSETS PLEDGED THEREFOR UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.**

### **Special Taxes**

**Authorization and Pledge.** In accordance with the provisions of the Act, the City Council established the District on June 7, 2005 for the purpose of financing the Facilities and the Services. At a special election held on June 7, 2005, the qualified elector of the District authorized the District to incur indebtedness, secured

by Special Taxes levied on property in the District, in an amount not to exceed \$36,000,000, and approved the Rate and Method which authorized the Special Taxes to be levied to repay District indebtedness, including the Bonds.

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 Taxes are to be levied, taking into account any parcel splits during the preceding and then current year. The District will levy the Special Taxes by August 10 of each Fiscal Year that the Bonds and any Additional Bonds are Outstanding, or otherwise such that the computation of the levy is complete before the final date on which the auditor of the County (the “Auditor”) 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 Taxes on the next real property tax roll.

Based on the expected buildout of the District, Assigned Special Tax A 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 Special Taxes 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 Taxes 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 “— Exempt Properties.” Capitalized terms in this section of the Official Statement not defined herein have the meanings ascribed thereto in the Rate and Method.

***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 Special Tax A and Special Tax B to be collected among the taxable parcels in the District as more particularly described below. The Special Tax A for Facilities is referred to herein as the “Special Taxes.” See “Special Tax A” below. The Special Tax B is not pledged to the repayment of the Bonds and any Additional Bonds and is not available to pay debt service on the Bonds and any Additional 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.

“*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 and providing for the levy and collection of the Special Taxes.

“*Developed Property*” means, for each Fiscal Year, (i) with respect to the Special Tax A, all Taxable Property, exclusive of Taxable Public Property and Taxable Property Owner Association Property, for which the Final Subdivision was recorded on or before January 1 of the prior Fiscal Year and a building permit for new construction was issued after January 1, 2004 and on or before March 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied, and (ii) with respect to the Special Tax B, all Assessor’s Parcels of Taxable Property for which the Final Residential Subdivision was recorded prior to the Fiscal Year for which the Special Tax B is being levied, and all Assessor’s Parcels of Taxable Property for which a building

permit has been issued with respect to Non- Residential Property prior to the Fiscal Year for which the Special Tax B is being levied.

*“Final Mapped Property”* means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property or Taxable Public Property, which as of January 1 of the previous Fiscal Year was located within a Final Subdivision.

*“Residential Floor Area”* means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area for an Assessor’s Parcel will be made by reference to the building permit(s) issued for such Assessor’s Parcel.

*“Special Tax A”* 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.

*“Special Tax Requirement for Facilities”* means the amount required in any Fiscal Year for the District to: (i) pay debt service on all Outstanding Bonds due in the calendar year commencing in such Fiscal Year; (ii) pay periodic costs on the Bonds of the District, including but not limited to, credit enhancement and rebate payments on the Bonds of the District due in the calendar year commencing in such Fiscal Year; (iii) pay a proportionate share of Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds of the District; (v) pay directly for acquisition or construction of District facilities eligible under the Act to the extent that the inclusion of such amount does not increase the Special Tax A levy on Undeveloped Property; (vi) pay for reasonably anticipated Special Tax A delinquencies based on the delinquency rate for the Special Tax A levy in the previous Fiscal Year; less (vii) a credit for funds available to reduce the annual Special Tax A levy, as determined by the CFD Administrator pursuant to the Indenture.

*“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 assigned to a Zone and further classified as Developed Property, Final Mapped 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 of Apportionment described under the subheading “Maximum Special Tax, Assigned Special Tax and Backup Special Tax.”

*“Taxable Property Owner Association Property”* means, for each Fiscal Year, 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, for each Fiscal Year, 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, Final Mapped Property, Taxable Property Owner Association Property or Taxable Public Property.

The Rate and Method identifies three Zones. Zone 1 is identified as the area within Lot 1 of Tract Map No. 16868 as identified on Exhibit A to the Rate and Method, and all of Tract Map No. 16872. Zone 2 is identified as the area within Lots 3 – 6 and 9 – 12 of Tract Map No. 16868 as identified on Exhibit A to the Rate and Method. Zone 3 is identified as the area within Lots 2, 7, 8, 13 and 14 of Tract Map No. 16868 as identified on Exhibit A to the Rate and Method. See “PROPERTY OWNERSHIP AND THE DEVELOPMENTS.” Each parcel of Taxable Property within each Zone is further classified as Developed Property, Final Mapped Property, Undeveloped Property Taxable Property Owner Association Property or Taxable Public Property.



***Exempt Property.*** No Special Tax A will be levied on up to 11.0 Acres of Public Property and up to 18.2 Acres of Property Owner Association Property in Zone 1, up to 5.6 Acres of Public Property and up to 29.6 Acres of Property Owner Association Property in Zone 2 and up to 30.9 Acres of Public Property and up to 13.7 Acres of Property Owner Association Property in Zone 3. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property in the applicable Zone becomes Public Property or Property Owner Association Property. However, should an Assessor's Parcel in a Zone no longer be classified as Public Property or Property Owner Association Property, its tax-exempt status will be revoked. Public Property or Property Owner Association Property that is not exempt from the Special Tax A as described above will be subject to the levy of the Special Tax A and will be taxed Proportionately as part of the sixth and seventh steps described under the heading "Method of Apportionment of Special Tax" below. The District will not levy a Special Tax B on Public Property or Property Owner Association Property, except as otherwise provided in Sections 53317.3, 53317.5, and 53340.1 of the Act. The exempt status will be irrevocably assigned by the CFD Administrator.

Based on the ownership identified on the San Bernardino County Assessor Roll for Fiscal Year 2021-22, approximately 33.8 acres within Zone 2 and 2.9 acres within Zone 3 of the District, respectively, are owned by a Property Owner Association. As identified in Section E of the Rate and Method, up to 29.6 acres of Property Owner Association Property in Zone 2 and up to 13.7 acres of Property Owner Association Property in Zone 3 are exempt from the Special Tax. Accordingly, such 4.2 acres in Zone 2 over the Zone 2 exemption limits are classified as Taxable Property Owner Association Property and subject to the levy of the Special Tax as part of the sixth step in Section D of the Rate and Method. Nevertheless, a levy on Taxable Property Owner Association Property is not expected to be required in order to meet the Special Tax Requirement for Facilities for Fiscal Year 2021-22.

***Maximum Special Tax, Assigned Special Tax and Backup Special Tax.*** The Maximum Special Tax, Assigned Special Tax and Backup Special Tax for Special Tax A provided for in the Rate and Method as follows:

*Special Tax A.*

***Developed Property.*** The Maximum Special Tax A for each Assessor's Parcel classified as Developed Property will be the greater of (i) the amount derived by application of the Assigned Special Tax A or (ii) the amount derived by application of the Backup Special Tax A.

- ***Assigned Special Tax A.*** Residential Property will be assigned to Land Use Classes 1 through 17 as listed in Table 1 in Section C of the Rate and Method. For Fiscal Year 2021-22, the Assigned Special Tax A applicable to an Assessor's Parcel classified as Residential Property will range from \$1,180 per unit for units with a Residential Floor Area less than 1,275 square feet, to \$3,764 per unit for units with a Residential Floor Area greater than or equal to 4,275 square feet. For Fiscal Year 2021-22, the Assigned Special Tax A applicable to an Assessor's Parcel classified as Non-Residential Property is \$32,233 per acre.
- ***Backup Special Tax A.*** The Fiscal Year 2021-22 Backup Special Tax A attributable to a Final Subdivision in Zone 1, Zone 2, or Zone 3 will equal \$20,945 per Acre with respect to Zone 1, \$31,636 per Acre with respect to Zone 2 and \$37,916 per Acre with respect to Zone 3, multiplied by the Acreage of all Taxable Property, exclusive of any Taxable Property Owner Association Property and Taxable Public Property, therein. The Backup Special Tax A for each Assessor's Parcel of Residential Property will be computed by dividing the Backup Special Tax A attributable to the applicable Final Subdivision by the number of Assessor's Parcels for which building permits for residential construction have or may be issued (i.e., the number of residential lots). The Backup Special Tax A for each Assessor's Parcel of Non-Residential Property in Zone 1, Zone 2, or Zone 3 will equal will equal \$20,945 per Acre with respect to Zone 1, \$31,636 per Acre with respect to Zone 2 and \$37,916 per Acre with respect to Zone 3, multiplied by the Acreage of such Assessor's Parcel.

- The Fiscal Year 2021-22 Assigned Special Tax A and Backup Special Tax A are not subject to change and will remain the same in every Fiscal Year.

*Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property.* For Fiscal Year 2021-22, the Initial Maximum Special Tax A for each Assessor's Parcel of Final Mapped Property and Undeveloped Property in Zone 1, Zone 2 and Zone 3 is \$17,806 per Acre, \$26,894 per Acre and \$32,233 per Acre, respectively. For Fiscal Year 2021-22, the Maximum Special Tax A rate for an Assessor's Parcel of Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property and Taxable Public Property is \$37,916 per Acre. The Fiscal Year 2021-22 Initial Maximum Special Tax A rates and Maximum Special Tax A rates for Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property are not subject to change and will remain the same in every Fiscal Year.

*Method of Apportionment of Special Tax.* Each Fiscal Year, the City Council shall determine the Special Tax Requirement for Facilities and, subject to the Maximum Special Tax A rates described above, levies the Special Tax A until the total Special Tax A levy equals the Special Tax Requirement for Facilities. The Special Tax A will be levied each Fiscal Year as follows:

First: The Special Tax A shall be levied on each Assessor's Parcel of Developed Property in an amount equal to 100% of the applicable Assigned Special Tax A;

Second: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first step has been completed, the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Final Mapped Property in Zone 1, Zone 2, and Zone 3 at up to 100% of the applicable Initial Maximum Special Tax A;

Third: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the second step has been completed, the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property in Zone 1, Zone 2, and Zone 3 at up to 100% of the applicable Initial Maximum Special Tax A;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then the levy of the Special Tax A on each Assessor's Parcel of Final Mapped Property and Undeveloped Property in Zone 1, Zone 2, and Zone 3 shall be increased in equal percentages from the applicable Initial Maximum Special Tax A for such Zone up to 100% of the applicable Maximum Special Tax A for Final Mapped Property and Undeveloped Property;

Fifth: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first four steps have been completed, then the levy of the Special Tax A on each Assessor's Parcel of Developed Property in Zone 1, Zone 2, and Zone 3 whose Maximum Special Tax A is determined through the application of the Backup Special Tax A shall be increased in equal percentages from the Assigned Special Tax A up to the Maximum Special Tax A for each such Assessor's Parcel;

Sixth: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first five steps have been completed, then the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property at up to the Maximum Special Tax A for Taxable Property Owner Association Property; and

Seventh: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first six steps have been completed, then the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property at up to the Maximum Special Tax A for Taxable Public Property.

Notwithstanding the above the City Council may, in any Fiscal Year, levy Proportionately less than 100% of the Assigned Special Tax A in step one (above), when (i) the Council is no longer required to levy the Special Tax A pursuant to steps two through seven above in order to meet the Special Tax Requirement for Facilities, and (ii) all authorized Bonds have already been issued or the City Council has covenanted that it will not issue any additional Bonds (except refunding bonds) to be supported by the Special Tax A. Further notwithstanding the above, under no circumstances will the Special Tax A levied against any Assessor's Parcel of Residential Property for which a Certificate of Occupancy has been issued be increased by more than ten percent as a consequence of delinquency or default by the owner of any other Assessor's Parcel within the District.

***Prepayment of Special Taxes.*** The Special Tax A obligation for an Assessor's Parcel of Developed Property, or an Assessor's Parcel of Final Mapped 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 and other costs, less a credit for the resulting reduction in the Reserve Requirement for the Bonds (if any) and less capitalized interest (if any), all as specified in Appendix A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX — Section H."

***Estimated Debt Service Coverage.*** Based on the expected buildout of the District, Assigned Special Tax A 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 A rates on Taxable Property within the District. See "— Special Taxes — *Maximum Special Tax, Assigned Special Tax and Backup Special Tax,*" "— Special Taxes — *Exempt Property*" and "Special Taxes — *Taxable Property*" herein.

Pursuant to the Rate and Method, the status of Developed Property is based on building permits issued as of March 1 of the Fiscal Year preceding the Fiscal Year for which the Special Tax A is levied for parcels with a Final Subdivision recorded on or before January 1 of the prior Fiscal Year. As of March 1, 2021, 619 building permits had been issued for attached or detached residential units within the District and such units were within the final subdivisions that have recorded as of January 1, 2021 and such parcels of Taxable Property will be classified as Developed Property for the Fiscal Year 2021-22 Special Tax levy within the District. All 392 of the parcels being developed by the Merchant Builders will be classified as Undeveloped Property for the Fiscal Year 2021-22 Special Tax levy.

As of August 1, 2021, 51 parcels of Taxable Property owned by Richmond American are projected to be classified as Developed Property for Fiscal Year 2022-23 based upon (i) the building permits that have been obtained for such properties as of August 1, 2021, and (ii) the Final Subdivisions encompassing such properties that have been recorded as of August 1, 2021. The remaining 341 parcels of Taxable Property currently classified as Undeveloped Property for the Fiscal Year 2021-22 Special Tax levy, including 51 parcels owned by Richmond American, 60 parcels owned by Taylor Morrison, 91 parcels owned by PLC, and 139 parcels owned by Tri Pointe, are projected to be classified as Undeveloped Property for the Fiscal Year 2022-23 Special Tax levy.

It is not certain that all 1,011 of the proposed residential units will be constructed within the District. Accordingly, no assurance can be given that the projected debt service coverage of 110% of Maximum Special Tax A taxes for the Bonds will be realized from Developed Property, and a significant portion of debt service on the Bonds may be payable from Special Taxes levied on Final Mapped Property and Undeveloped Property. See "PROPERTY OWNERSHIP AND THE DEVELOPMENTS" and "SPECIAL RISK FACTORS — Failure to Develop Properties."

Moreover, the coverage from Maximum Special Tax A taxes from Developed Property could be reduced substantially, and coverage from Final Mapped Property and Undeveloped Property could be increased substantially, in the event that Additional Bonds for Facilities are issued in accordance with the Indenture. See

“— Additional Bonds” below and “SPECIAL RISK FACTORS — Effect of Additional Bonds on Credit Quality.”

### **Collection and Application of Special Taxes**

The Special Taxes are 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 Taxes, may collect Special Taxes 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 Taxes are not altered in a manner that would impair the District’s ability to collect sufficient Special Taxes 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 2018 Bonds, 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 2018 Bonds, the Bonds or 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 2018 Bonds, 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 the 2018 Bonds, the 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 2018 Bonds, Bonds and any Additional Bonds when due.

Although the Special Taxes constitute liens on Taxable Property within the District, they do 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 Taxes 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 prepaid Special Taxes that are to be applied to the payment of the redemption price of the 2018 Bonds, the Bonds and any Additional Bonds in accordance with the provisions hereof 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 B — “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 Special Taxes 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 any Special Taxes 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 Special Taxes 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 property owner is delinquent in excess of \$5,000 in the payment of the Special Taxes, then the District will diligently institute, prosecute and pursue foreclosure proceedings against such property owner.

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 Taxes may be limited. See “SPECIAL RISK FACTORS — Bankruptcy and Legal Delays” and “— 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 2018 Bonds, the Bonds and any Additional Bonds Outstanding.

### **Special Tax Fund**

Pursuant to the Indenture, the Trustee was required to establish and maintain a separate fund designated the “Special Tax Fund.” The Indenture requires that the District transfer Special Tax Revenues (other than prepaid Special Taxes) 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 B — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

As soon as practicable after the District’s receipt of prepaid Special Taxes, 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 prepaid Special Taxes to the Trustee and, in connection therewith, deliver to the Trustee a Written Certificate identifying such amounts as prepaid Special Taxes, identifying the portion of such prepaid Special Taxes so transferred that is to be applied to the Redemption Price of the 2018 Bonds, the Bonds and any Additional Bonds and identifying the portion of such prepaid Special Taxes that is to be applied to the payment of interest on the 2018 Bonds, the Bonds and any Additional Bonds to be so redeemed. The portion of such prepaid Special Taxes 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 2018 Bonds, the Bonds and any Additional Bonds pursuant to the Indenture.

The portion of such prepaid Special Taxes that is to be applied to the payment of interest on the 2018 Bonds, 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**

Pursuant to the Indenture, the Trustee was required to establish and maintain a special fund designated the "Reserve Fund." On the Series 2021 Closing Date, the Trustee will deposit in the Reserve Fund the amount specified under the caption "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 original aggregate principal amount of the 2018 Bonds, the Bonds and any Additional Bonds (excluding 2018 Bonds, Bonds and any Additional Bonds refunded with the proceeds of subsequently issued 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 2018 Bonds, 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 2018 Bonds, the Bonds and any Additional Bonds is due and payable, amounts in the Principal Account are insufficient to pay such principal, and (iii) redeeming 2018 Bonds, Bonds and any Additional Bonds in accordance with the Indenture as described in the following paragraph.

Whenever the 2018 Bonds, the 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 2018 Bonds, Bonds or 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 2018 Bonds, Bonds or 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 2018 Bonds, Bonds or 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 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 2018 Bonds, Bonds or any Additional Bonds to be so redeemed and the denominator of which is the principal amount of 2018 Bonds, Bonds or any Additional Bonds to be Outstanding on the day prior to the date on which such 2018 Bonds, Bonds or any Additional Bonds are to be so redeemed.

Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding 2018 Bonds, 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 2018 Bonds, Bonds and any Additional Bonds. If, as a result of the scheduled payment of principal of or interest on the 2018 Bonds, 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 B — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Definitions.”

## Additional Bonds

The District may at any time after the issuance and delivery of the Bonds issue Additional Bonds for the purpose of financing additional Facilities in an aggregate amount not to exceed \$1,805,000\* payable from Net Special Tax Revenues on a parity with the Outstanding 2018 Bonds and Bonds. Additional Bonds may also be issued for the purpose of refunding all or a portion of the 2018 Bonds, the Bonds or any Additional Bonds then Outstanding, for providing funds to pay costs of issuance incurred in connection with the issuance of such Additional Bonds, and providing funds to make any deposit to the Reserve Fund required under the Indenture in connection with the issuance of such Additional Bonds. The issuance of Additional Bonds to fund additional Facilities costs will require an increase in the amount of Special Taxes levied annually, which could result in the need to levy Special Taxes on Final Mapped Property and Undeveloped Property and would reduce the coverage ratio between the Maximum Special Taxes that could be levied annually and the annual levy required to pay debt service on the 2018 Bonds, the Bonds and any Additional Bonds plus Administrative Expenses. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Estimated Debt Service Coverage*” and “SPECIAL RISK FACTORS — Effect of Additional Bonds on Credit Quality.”

The Indenture provides that Additional Bonds may only be issued subject to certain conditions precedent, including but not limited to the District having received a certificate of one or more Independent Consultants that, when taken together, certify that:

- (i) on the basis of the parcels of land and improvements existing in the District as of the January 1 preceding the proposed issuance of such Additional Bonds, for each Fiscal Year that 2018 Bonds, Bonds and any Additional Bonds will be Outstanding the amount of the Available Special Taxes that may be levied on all Taxable Property in such Fiscal Year is at least equal to 110% of Annual Debt Service for the Corresponding Bond Year on all Outstanding 2018 Bonds, Bonds and any Additional Bonds; provided, however, that there shall be excluded from such calculation any Available Special Taxes levied or that may be levied on any parcel of Taxable Property that, as of the date of such certificate, is in default in the payment of any Special Taxes levied thereon;
- (ii) the sum of (A) the Assessed Value of parcels of Taxable Property for which a Qualified Appraisal Report has not been provided, plus (B) the Appraised Value of parcels of Taxable Property for which a Qualified Appraisal Report has been provided, as such Appraised Value is shown in such Qualified Appraisal Report, is at least seven times the sum of (I) the aggregate principal amount of Outstanding 2018 Bonds, Bonds and any Additional Bonds, plus (II) the aggregate principal amount of all fixed lien special assessments levied on parcels of Taxable Property, based upon information from the most recent Fiscal Year for which such information is available, plus (III) the sum of a portion of the aggregate principal amount of Other CFD Bonds, which portion shall be equal to the aggregate principal amount of such Other CFD Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for such Other CFD Bonds on parcels of Taxable Property, and the denominator of which is

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\* Preliminary, subject to change.

the total amount of special taxes levied for such Other CFD Bonds on all parcels of land (such fraction to be determined based upon the maximum special taxes which could be levied in the year in which maximum annual debt service on such Other CFD Bonds occurs), based upon information from the most recent Fiscal Year for which such information is available; and

- (iii) the sum of (A) the Assessed Value of parcels of Unmapped Property for which a Qualified Appraisal Report has not been provided, plus (B) the Appraised Value of parcels of Unmapped Property for which a Qualified Appraisal Report has been provided, as such Appraised Value is shown in such Qualified Appraisal Report, is at least three times the sum of (I) a portion of the aggregate principal amount of Outstanding 2018 Bonds, Bonds and any Additional Bonds, which portion shall be equal to the aggregate principal amount of such Outstanding 2018 Bonds, Bonds and any Additional Bonds multiplied by a fraction, the numerator of which is the amount of Special Taxes levied for such Outstanding 2018 Bonds, Bonds and any Additional Bonds on parcels of Unmapped Property, and the denominator of which is the total amount of Special Taxes levied for such Outstanding 2018 Bonds, Bonds and any Additional Bonds on all parcels of land (such fraction to be determined based upon the Maximum Special Taxes which could be levied in the year in which Maximum Annual Debt Service on such Outstanding 2018 Bonds, Bonds and any Additional Bonds occurs), plus (II) the aggregate principal amount of all fixed lien special assessments levied on parcels of Unmapped Property, based upon information from the most recent Fiscal Year for which such information is available, plus (III) the sum of a portion of the aggregate principal amount of Other CFD Bonds, which portion shall be equal to the aggregate principal amount of such Other CFD Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for such Other CFD Bonds on parcels of Unmapped Property, and the denominator of which is the total amount of special taxes levied for such Other CFD Bonds on all parcels of land (such fraction to be determined based upon the maximum special taxes which could be levied in the year in which maximum annual debt service on such Other CFD Bonds occurs), based upon information from the most recent Fiscal Year for which such information is available.

Notwithstanding the foregoing, the receipt of a certificate described above will not be a condition precedent to the issuance of Additional Bonds if (i) such Additional Bonds are being issued to refund previously issued 2018 Bonds, Bonds and/or any previously issued Additional Bonds, and (ii) the Annual Debt Service in each Bond Year, calculated for all 2018 Bonds, 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 2018 Bonds, Bonds and any Additional Bonds that are Outstanding immediately prior to the issuance of such Additional Bonds.

For a complete description of all conditions that must be satisfied prior to issuance of Additional Bonds, see Appendix B — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

### **Subordinate Obligations**

The Indenture provides that the District may issue obligations payable from Net Special Tax Revenues on a basis subordinate to the 2018 Bonds, the Bonds or any Additional Bonds (not to exceed the District’s remaining authorized maximum bonded indebtedness of \$1,805,000\*) without complying with the provisions of the Indenture relating to the issuance of Additional Bonds as described above.

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\* Preliminary, subject to change.



## 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 elector within the boundaries of the District, being the then owner 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 215.9 gross acres and approximately 106.9 net acres and is located in the northern portion of the City, near Interstate 15 and Summit Avenue, in the western portion of the County. The District is bounded to the south by Summit Avenue, on the east by Citrus Avenue, and on the west by Lytle Creek Road.

The property within the District is being developed into a master planned community known as “Shady Trails.” At build-out, Shady Trails is planned to contain twelve neighborhoods consisting of 1,011 attached and detached single-family residential units. 629 homes have been completed and conveyed to individual homeowners with the remaining 392 proposed homes within Planning Areas 13, 14, 16 and 17 of the District, 10 of which have been completed and conveyed to individual homeowners, being developed into four new neighborhoods known as “Wisteria,” “Aspen Court,” “Birch Bend,” and “Juniper,” respectively. The property within Planning Areas 13, 14, 16 and 17 of the District includes 32.7 net acres and is proposed to include 162 single-family detached condominium pads and 230 single-family attached residential units. Richmond American purchased Wisteria from the Master Developer in two take-downs based on an agreement signed in June 2019. The first take-down was for 61 lots with a minimum building pad size of 2,800 square feet which closed in August 2020. The second take-down was for 41 lots and closed on June 2, 2021. Taylor Morrison purchased Aspen Court from the Master Developer in January 2021. PLC purchased Juniper from the Master Developer in January 2021. Tri Pointe purchased Birch Bend from the Master Developer in January 2021.

As of August 1, 2021, the date of value of the Appraisal (defined herein), within Planning Areas 13, 14, 16 and 17 of the District, there were 10 homes completed and conveyed to individual homeowners, 16 model homes, 18 homes were over 95% complete (17 of which were in escrow), 78 homes were under construction (38 of which were in escrow) and the remaining 270 lots were in a finished lot/pad condition (5 of which were in escrow). As of August 1, 2021, of the 102 proposed single-family detached residential units within the Wisteria neighborhood, 10 homes had been completed and conveyed to individual homeowners, 3 model homes had been completed, 10 homes were over 95% complete (all of which were in escrow), 31 homes were under construction (all of which were in escrow) and the remaining 48 lots were in a finished lot condition (5 of which were in escrow) and owned by Richmond American. As of August 1, 2021, of the 60 proposed single-family detached condominium courtyard homes within Aspen Court, 4 model homes had been completed, 8 homes were over 95% complete (7 of which were in escrow), 16 homes were under construction (2 of which were in escrow) and the remaining 32 pads were in a finished condition (none of which were in escrow) and owned by Taylor Morrison. As of August 1, 2021, of the 91 proposed homes within the Juniper neighborhood, 4 model homes had been completed, 9 homes were under construction (none of which were in escrow) and the remaining 78 pads were in a finished lot condition (none of which were in escrow) and owned by PLC. As of August 1, 2021, of the 139 proposed homes within the Birch Bend neighborhood, 5 model homes had been completed, 22 homes were under construction (5 of which were in escrow) and the remaining 112 pads were in a finished condition (none of which were in escrow) and owned by Tri Pointe. Sales contracts are subject to cancellation and, therefore, homes currently in escrow may not result in closed escrows with the prospective homebuyers. 108 building permits had been obtained within Planning Areas 13, 14, 16 and 17 of the District as of August 1, 2021. See “PROPERTY OWNERSHIP AND THE DEVELOPMENT.”

The Shady Trails community includes an approximately 15,000 square foot community recreation center named “The Parkhouse.” The Parkhouse includes an approximately 2,600 square foot fitness center, a

theatre, library, business center, game rooms and cyber café. The Parkhouse also includes a junior Olympic sized swimming pool, spa, sun decks within an approximately 3.5 acre park.

Completion of the development of the undeveloped land in the District requires compliance with development conditions and mitigation provisions. The environmental permits from regulatory authorities with respect to the planned development within the District have been obtained, although implementation of the required mitigation has not been completed. The City has concluded documentation under CEQA for development in the District. The City has certified an Environmental Impact Report (as defined herein) for the Citrus Heights North Specific Plan and given environmental clearance in the form of mitigated negative declarations for the planned development of the property. Other than satisfaction of the mitigated negative declarations set forth in the Environmental Impact Report, all environmental authorizations expected to be required prior to the development of the remaining undeveloped land for its intended purpose have been obtained. Development of the remaining undeveloped property in the District includes certain ongoing risks. See “SPECIAL RISK FACTORS — Failure to Develop Properties” and “— Effect of Additional Bonds on Credit Quality.”

The District is not located within an Alquist-Priolo Special Study Zone for active faults and no known active or potentially active faults are present within the District. However, the District is located south of the junction of two major active fault zones. These faults are the northwest trending San Jacinto fault zone and the east to northeast trending Cucamonga fault zone. The Rialto-Colton fault is also located near the District. In addition there are many other faults in California that could generate earthquakes that would be felt at the site. See “SPECIAL RISK FACTORS — Geologic, Topographic and Climatic Conditions.”

The Federal Emergency Management Agency has determined that the District is located in a Zone “X” flood area (an area of minimal flooding, outside the 500-year flood plain), and flood insurance is not required.

A map showing the general location of the District and the surrounding area appears on the pages before page 1. Information about the ownership of such property is set forth under the caption “PROPERTY OWNERSHIP AND THE DEVELOPMENTS.” General information about the City is set forth in Appendix E.

### **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 and authorized indebtedness payable from taxes and assessments that may be levied upon the property within the District is shown in Table 1 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 1**  
**CITY OF FONTANA**  
**COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)**  
**DIRECT AND OVERLAPPING DEBT SUMMARY (TAXABLE PROPERTY)**

<i>Overlapping District</i>	<i>Percent Applicable to District<sup>(1)</sup></i>	<i>Total Debt Outstanding<sup>(2)</sup></i>	<i>District Share of Total Debt Outstanding</i>
Fontana Unified School District G.O. Bonds	1.63464%	\$277,054,840	\$ 4,528,850
Chaffey Community College District G.O. Bonds	0.23731	332,395,000	788,810
Metropolitan Water District Mid-Valley G.O. Bonds	0.00650	32,230,000	<u>2,100</u>
Estimated Share of Overlapping Debt Allocable to District			\$ 5,319,760
Plus: 2018 Bonds <sup>(3)</sup>			16,290,000
Plus: The Bonds			<u>8,020,000*</u>
Estimated Share of Direct and Overlapping Debt Allocable to District			\$ 29,629,760*

\* Preliminary, subject to change.

(1) Based on the District's estimated share of the Fiscal Year 2020-21 levy for each applicable overlapping district.

(2) Based on overlapping tax and assessment debt as of May 1, 2021. 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.

(3) Based on the 2018 Bonds outstanding as of September 2, 2021.

Source: DTA, Inc., County of San Bernardino.

As shown in Table 2, the average total effective tax rate for completed homes conveyed to individual homeowners as of January 1, 2021 in the District ranges from approximately 1.641% to approximately 1.867% of the Fiscal Year 2021-22 assessed value.

The following table sets forth the estimated total effective tax rate of completed homes in selected classifications under the Rate and Method selected to show the range of projected total effective tax rates, based on average Fiscal Year 2021-22 assessed values, owned by individual homeowners in the District for Fiscal Year 2021-22.

**TABLE 2**  
**CITY OF FONTANA**  
**COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)**  
**PROJECTED FISCAL YEAR 2021-22 TOTAL EFFECTIVE TAX RATES**  
**FOR INDIVIDUALLY OWNED RESIDENTIAL PROPERTY**

<i>DESCRIPTION / ASSESSED VALUATION</i>		<i>CLASS 1</i>	<i>CLASS 4</i>	<i>CLASS 7</i>	<i>CLASS 10</i>	<i>CLASS 13</i>	<i>CLASS 15</i>
Average Unit Size for Representative Land Use Classes		4,560	3,790	3,180	2,620	1,990	1,610
Average Assessed Value <sup>(1)</sup>		\$ 531,930	\$ 518,840	\$ 453,720	\$ 417,100	\$ 354,170	\$ 371,580
Less: Homeowner Exemption		(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)
Equals: Average Taxable Assessed Value <sup>(2)</sup>		\$ 524,930	\$ 511,840	\$ 446,720	\$ 410,100	\$ 347,170	\$ 364,580
<b><i>AD VALOREM PROPERTY TAXES</i><sup>(2)(3)</sup></b>	<b><i>Property Tax Rate</i></b>	<b><i>Projected Amount</i></b>	<b><i>Projected Amount</i></b>	<b><i>Projected Amount</i></b>	<b><i>Projected Amount</i></b>	<b><i>Projected Amount</i></b>	<b><i>Projected Amount</i></b>
Base Property Tax	1.0000%	\$ 5,249	\$ 5,118	\$ 4,467	\$ 4,101	\$ 3,472	\$ 3,646
Metropolitan Water District G.O. Bonds	0.0035	18	18	16	14	12	13
Chaffey Community College District G.O. Bonds	0.0111	58	57	50	46	39	40
Fontana Unified School District G.O. Bonds	0.0671	352	343	300	275	233	245
Subtotal <i>Ad Valorem</i> Property Tax Rate/Taxes	1.0817%	\$ 5,677	\$ 5,536	\$ 4,833	\$ 4,436	\$ 3,756	\$ 3,944
<b><i>PARCEL CHARGES, ASSESSMENTS AND SPECIAL TAXES</i><sup>(4)</sup></b>		<b><i>Projected Amount</i></b>	<b><i>Projected Amount</i></b>	<b><i>Projected Amount</i></b>	<b><i>Projected Amount</i></b>	<b><i>Projected Amount</i></b>	<b><i>Projected Amount</i></b>
Metropolitan Water District Water Standby Charge		\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8
Fontana Vector Control Charge		6	6	6	6	6	6
City of Fontana Sewer User Fee <sup>(5)</sup>		NA	NA	NA	NA	NA	NA
City of Fontana CFD No. 31 Services Special Tax <sup>(6)</sup>		475	475	475	475	475	475
City of Fontana CFD No. 31 Facilities Special Tax <sup>(7)</sup>		3,764	3,409	3,130	2,795	2,108	1,664
Subtotal Parcel Charges, Assessments And Special Taxes		\$ 4,253	\$ 3,898	\$ 3,619	\$ 3,284	\$ 2,597	\$ 2,153
Projected Total Property Taxes		\$ 9,930	\$ 9,434	\$ 8,452	\$ 7,720	\$ 6,353	\$ 6,097
<b>PROJECTED EFFECTIVE TAX RATE (% OF ASSESSED VALUE)</b>		<b>1.867%</b>	<b>1.818%</b>	<b>1.863%</b>	<b>1.851%</b>	<b>1.794%</b>	<b>1.641%</b>

(1) Average assessed value for a homeowner occupied dwelling unit based on assessed value information provided by the San Bernardino County Assessor for Fiscal Year 2021-22.

(2) Average taxable assessed value and *ad valorem* taxes incorporate owner-occupied assessed value exemption of \$7,000.

(3) Based on the Fiscal Year 2020-21 *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 2020-21 charges identified on the San Bernardino County issued property tax bills. Charges subject to change in future years.

(5) Excluded from the effective tax rate determination pursuant to the City of Fontana Community Facilities and Assessment District Policy Guidelines.

(6) Based on the projected Fiscal Year 2021-22 levy of the Assigned Special Tax B.

(7) Based on the projected Fiscal Year 2021-22 levy of the Assigned Special Tax A.

Source: DTA, Inc., City of Fontana, County of San Bernardino.

## Estimated 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 Special Taxes, 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. The Value of the taxable property within the District equals \$356,308,292 (previously defined as the sum of the aggregate Appraised Value of the Taxable Property within Planning Areas 13, 14, 16 & 17 of the District (\$70,081,122), plus the aggregate Fiscal Year 2021-22 assessed value of all other Taxable Property within the District (\$286,227,170)). See the caption “INTRODUCTION – Appraisal Report.” Value is allocated based on the estimated Fiscal Year 2022-23 Special Tax levy. The ratio of Value to the \$24,310,000\* aggregate principal amount of the Bonds and 2018 Bonds is approximately 14.66\*-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 other overlapping general obligation debt within the District into account, ratio of the Value to the total amount of existing bonded debt for the District of \$29,629,760\* is approximately 12.03\*-to-1. See Table 1. Table 3 sets forth the estimated value-to-lien ratios of all the Taxable Property within the District by development status as of August 1, 2021, based on the estimated Fiscal Year 2022-23 Special Tax levy.

Additionally, Table 4 sets forth the estimated Fiscal Year 2022-23 value-to-lien ratios of all the taxable property within the District by land use classification under the Rate and Method based on an estimated Fiscal Year 2022-23 Special Tax levy. Table 5 sets forth the estimated stratification of value-to-liens of the 1,011 proposed homes within the District based on the Value, and such parcels’ respective shares of the principal amount of the Bonds (allocated to each parcel based upon its respective share of the total estimated Fiscal Year 2022-23 Special Tax levy) and the ratio of Value to its share of the Bonds. Table 6 sets forth the assessed value for Taxable Property within the District from Fiscal Year 2011-12 through Fiscal Year 2021-22.

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\* Preliminary, subject to change.

**TABLE 3**  
**CITY OF FONTANA**  
**COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)**  
**ESTIMATED VALUE-TO-LIEN RATIOS BASED ON BONDS ONLY**  
**ALLOCATED BY PROPERTY OWNER/DEVELOPMENT STATUS**  
**(Estimated Fiscal Year 2022-23 Special Tax A Levy)**

<i>Property Owner <sup>(1)</sup> / Development Status <sup>(1)</sup></i>	<i>Estimated Taxable Acreage</i>	<i>Proposed Number of Units <sup>(2)</sup></i>	<i>Estimated Fiscal Year 2022-23 Special Tax A <sup>(3)*</sup></i>	<i>Share of Estimated Fiscal Year 2022-23 Special Tax A</i>	<i>Pro Rata Share of 2018 Bonds and the Bonds <sup>(4)*</sup></i>	<i>Value <sup>(5)</sup></i>	<i>Estimated Value-to-Lien Ratios <sup>(6)*</sup></i>
<u>Richmond American (PAs 13 &amp; 14)</u>							
Model Homes	0.37	3	\$ 4,872	0.21%	\$ 50,739	\$ 1,490,341	29.37
95%+ Completed Homes	1.05	10	27,587	1.18	287,303	4,595,178	15.99
Homes Under Construction & Finished Lots	8.83	79	169,265	7.25	1,762,799	13,424,162	7.62
Subtotal	10.25	92	\$ 201,724	8.64%	\$ 2,100,841	\$ 19,509,681	9.29
<u>Tri Pointe Homes (PA 16)</u>							
Model Homes	0.35	5	\$ 5,612	0.24%	\$ 58,446	\$ 1,925,017	32.94
Homes Under Construction & Finished Lots	9.45	134	150,401	6.44	1,566,342	16,658,130	10.64
Subtotal	9.80	139	\$ 156,013	6.68%	\$ 1,624,788	\$ 18,583,147	11.44
<u>PLC Communities (PA 17)</u>							
Model Homes	0.29	4	\$ 4,636	0.20%	\$ 48,281	\$ 1,606,961	33.28
Homes Under Construction & Finished Lots	6.34	87	100,836	4.32	1,050,150	12,323,406	11.73
Subtotal	6.63	91	\$ 105,472	4.52%	\$ 1,098,431	\$ 13,930,367	12.68
<u>Taylor Morrison (PA 17)</u>							
Model Homes	0.33	4	\$ 5,300	0.23%	\$ 55,197	\$ 1,736,958	31.47
95%+ Completed Homes	0.67	8	10,600	0.46	110,393	3,171,009	28.72
Homes Under Construction & Finished Lots	3.99	48	63,598	2.72	662,337	7,017,200	10.59
Subtotal	4.99	60	\$ 79,498	3.41%	\$ 827,927	\$ 11,925,167	14.40
Individual Homeowners (PAs 13 & 14)	1.05	10	\$ 27,587	1.18%	\$ 287,303	\$ 6,132,760	21.35
Individual Homeowners (Excluding PAs 13, 14, 16 & 17)	78.40	619	1,763,966	75.57	18,370,710	286,227,170	15.58
Subtotal	79.45	629	\$ 1,791,553	76.75%	\$ 18,658,013	\$ 292,359,930	15.67
<b>TOTAL</b>	<b>111.12</b>	<b>1,011</b>	<b>\$ 2,334,260</b>	<b>100.00%</b>	<b>\$ 24,310,000</b>	<b>\$ 356,308,292</b>	<b>14.66</b>

\* Preliminary, subject to change.

(1) Based on (i) the Appraisal with a date of value as of August 1, 2021 for Taxable Property within Planning Areas 13, 14, 16 & 17, and (ii) the San Bernardino County Assessor Roll for Fiscal Year 2021-22 for Taxable Property not within Planning Areas 13, 14, 16 & 17.

(2) Represents 670 residential units classified as Developed Property based on the development status as of August 1, 2021, and 341 residential units remaining to be classified as Developed Property within Planning Areas 13, 14, 16 & 17.

(3) Based on the levy to fund Administrative Expenses and debt service on the 2018 Bonds and the Bonds, and the development status as of August 1, 2021.

(4) There are currently no overlapping assessment districts and/or other community facilities districts encumbering the District (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 2018 Bonds and the Bonds are allocated based on a proportionate share of the projected Fiscal Year 2022-23 Special Tax A levy.

(5) Based on (i) the Appraisal with a date of value as of August 1, 2021 for Taxable Property within Planning Areas 13, 14, 16 & 17 equal to \$70,081,122, and (ii) the San Bernardino County Assessor Roll for Fiscal Year 2021-22 for Taxable Property not within Planning Areas 13, 14, 16 & 17 equal to \$286,227,170.

(6) Calculated by dividing the Value column by the Pro Rata Share of 2018 Bonds and the Bonds column.

Source: DTA, Inc.

**TABLE 4**  
**CITY OF FONTANA**  
**COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)**  
**ESTIMATED VALUE-TO-LIEN RATIOS BASED ON BONDS ONLY**  
**ALLOCATED BY LAND USE CLASSES**  
**(Estimated Fiscal Year 2022-23 Special Tax A Levy)**

<i>Rate and Method Land Use Classes</i>	<i>Number of Units/ Acres<sup>(1)</sup></i>	<i>Fiscal Year 2022-23 Assigned/ Initial Maximum Special Tax A<sup>(2)</sup></i>	<i>Estimated Fiscal Year 2022-23 Special Tax A<sup>(3)*</sup></i>	<i>Share of Estimated Fiscal Year 2022-23 Special Tax A</i>	<i>Pro Rata Share of 2018 Bonds and the Bonds<sup>(4)*</sup></i>	<i>Value<sup>(5)</sup></i>	<i>Estimated Value-to-Lien Ratios<sup>(6)*</sup></i>
Developed Property							
Residential Property (Residential Floor Area 4,275 sq. ft. or greater)	10	\$ 37,640	\$ 37,640	1.61%	\$ 391,999	\$ 5,319,313	13.57
Residential Property (Residential Floor Area 4,075 to 4,274 sq. ft.)	59	212,105	212,105	9.09	2,208,954	34,606,127	15.67
Residential Property (Residential Floor Area 3,875 to 4,074 sq. ft.)	7	24,430	24,430	1.05	254,425	3,724,478	14.64
Residential Property (Residential Floor Area 3,675 to 3,874 sq. ft.)	59	201,131	201,131	8.62	2,094,666	30,611,322	14.61
Residential Property (Residential Floor Area 3,475 to 3,674 sq. ft.)	45	150,480	150,480	6.45	1,567,164	22,945,967	14.64
Residential Property (Residential Floor Area 3,275 to 3,474 sq. ft.)	59	190,157	190,157	8.15	1,980,378	33,171,954	16.75
Residential Property (Residential Floor Area 3,075 to 3,274 sq. ft.)	30	93,900	93,900	4.02	977,915	13,611,520	13.92
Residential Property (Residential Floor Area 2,875 to 3,074 sq. ft.)	42	127,554	127,554	5.46	1,328,403	21,853,123	16.45
Residential Property (Residential Floor Area 2,675 to 2,874 sq. ft.)	29	84,564	84,564	3.62	880,686	15,241,986	17.31
Residential Property (Residential Floor Area 2,475 to 2,674 sq. ft.)	42	117,390	117,390	5.03	1,222,551	17,518,228	14.33
Residential Property (Residential Floor Area 2,275 to 2,474 sq. ft.)	92	257,140	257,140	11.02	2,677,968	35,781,296	13.36
Residential Property (Residential Floor Area 2,075 to 2,274 sq. ft.)	18	48,132	48,132	2.06	501,268	5,668,428	11.31
Residential Property (Residential Floor Area 1,875 to 2,074 sq. ft.)	122	257,176	257,176	11.02	2,678,343	43,208,549	16.13
Residential Property (Residential Floor Area 1,675 to 1,874 sq. ft.)	44	82,808	82,808	3.55	862,398	14,501,556	16.82
Residential Property (Residential Floor Area 1,475 to 1,674 sq. ft.)	12	19,968	19,968	0.85	207,955	4,458,971	21.44
Residential Property (Residential Floor Area 1,275 to 1,474 sq. ft.)	0	0	0	0.00	0	0	NA
Residential Property (Residential Floor Area less than 1,275 sq. ft.)	0	0	0	0.00	0	0	NA
Non-Residential Property	0.00	0	0	0.00	0	0	NA
Subtotal	670	\$ 1,904,575	\$ 1,904,575	81.60%	\$ 19,835,073	\$ 302,222,818	15.24
Final Mapped Property							
Zone 1	0.00	\$ 0	\$ 0	0.00%	\$ 0	\$ 0	NA
Zone 2	0.00	0	0	0.00	0	0	NA
Zone 3	0.00	0	0	0.00	0	0	NA
Subtotal	0.00	\$ 0	\$ 0	0.00%	\$ 0	\$ 0	NA
Undeveloped Property							
Zone 1	0.00	\$ 0	\$ 0	0.00%	\$ 0	\$ 0	NA
Zone 2	1.22	32,888	16,239	0.69	169,120	2,679,823	15.85
Zone 3	25.98	837,339	413,446	17.71	4,305,807	51,405,651	11.94
Subtotal	27.20	\$ 870,227	\$ 429,685	18.40%	\$ 4,474,927	\$ 54,085,474	12.09
<b>TOTAL</b>	<b>NA</b>	<b>\$ 2,774,802</b>	<b>\$ 2,334,260</b>	<b>100.00%</b>	<b>\$ 24,310,000</b>	<b>\$ 356,308,292</b>	<b>14.66</b>

(Footnotes on next page)

\* *Preliminary, subject to change*

- (1) Based on the development status as of August 1, 2021. Under the Rate and Method, parcels of Taxable Property are classified as Developed Property if (i) a building permit has been obtained for such parcel by March 1 of the fiscal year preceding the Special Tax levy, and (ii) the Final Subdivision encompassing such property recorded by January 1 of the fiscal year preceding the Special Tax levy.
- (2) Based on the Assigned Special Tax A revenues generated by residential dwelling units that will be classified as Developed Property for Fiscal Year 2022-23, and the Initial Maximum Special Tax A revenues generated by Final Mapped Property and Undeveloped Property for Fiscal Year 2022-23.
- (3) Based on the levy to fund Administrative Expenses and debt service on the Bonds, and the development status as of August 1, 2021.
- (4) There are currently no overlapping assessment districts and/or other community facilities districts encumbering the District (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 estimated Fiscal Year 2022-23 Special Tax A levy.
- (5) Based on (i) the Appraisal with a date of value as of August 1, 2021 for Taxable Property within Planning Areas 13, 14, 16 & 17 equal to \$70,081,122 and (ii) the San Bernardino County Assessor Roll for Fiscal Year 2021-22 for Taxable Property not within Planning Areas 13, 14, 16 & 17 equal to \$286,227,170.
- (6) Calculated by dividing the Value column by the Pro Rata Share of Bonds column.

Source: DTA, Inc.



**TABLE 5**  
**CITY OF FONTANA**  
**COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)**  
**ESTIMATED VALUE-TO-LIEN STRATIFICATION**  
**ALLOCATED BY VALUE-TO-LIEN BURDEN**  
**(Estimated Fiscal Year 2022-23 Special Tax A Levy)**

<i>Value-to-Lien Ratio Category</i>	<i>Estimated Taxable Acreage</i>	<i>Proposed Number of Units<sup>(1)</sup></i>	<i>Estimated Fiscal Year 2022-23 Special Tax A<sup>(2)*</sup></i>	<i>Share of Estimated Fiscal Year 2022-23 Special Tax A</i>	<i>Pro Rata Share of 2018 Bonds and the Bonds<sup>(3)*</sup></i>	<i>Value<sup>(4)</sup></i>	<i>Estimated Value-to-Lien Ratios<sup>(5)*</sup></i>
18.00:1 and above	22.34	150	\$ 368,878	15.80%	\$ 3,841,656	\$ 78,575,746	20.45
15.00:1 to 17.99:1	32.36	267	748,555	32.07	7,795,778	128,120,311	16.43
12.00:1 to 14.99:1	23.16	209	616,635	26.42	6,421,905	87,649,710	13.65
9.00:1 to 11.99:1	27.27	334	469,033	20.09	4,884,714	53,181,211	10.89
6.00:1 to 8.99:1	3.47	28	66,987	2.87	697,632	5,035,321	7.22
3.00:1 to 5.99:1	2.36	22	60,577	2.60	630,875	3,676,307	5.83
Less than 3.00:1 <sup>(6)</sup>	0.16	1	3,595	0.15	37,440	69,686	1.86
<b>TOTAL</b>	<b>111.12</b>	<b>1,011</b>	<b>\$ 2,334,260</b>	<b>100.00%</b>	<b>\$ 24,310,000</b>	<b>\$ 356,308,292</b>	<b>14.66</b>

\* Preliminary, subject to change.

(1) Represents 670 residential units classified as Developed Property based on the development status as of August 1, 2021, and 341 residential units remaining to be classified as Developed Property within Planning Areas 13, 14, 16 & 17.

(2) Based on the levy to fund Administrative Expenses and debt service on the 2018 Bonds and the Bonds, and the development status as of August 1, 2021.

(3) There are currently no overlapping assessment districts and/or other community facilities districts encumbering the District (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 2018 Bonds and the Bonds are allocated based on a proportionate share of the projected Fiscal Year 2022-2023 Special Tax A levy.

(4) Based on (i) the Appraisal with a date of value as of August 1, 2021 for Taxable Property within Planning Areas 13, 14, 16 & 17 equal to \$70,081,122, and (ii) the San Bernardino County Assessor Roll for Fiscal Year 2021-2022 for Taxable Property not within Planning Areas 13, 14, 16 & 17 equal to \$286,227,170.

(5) Calculated by dividing the Value column by the Pro Rata Share of Bonds column.

(6) Represents one parcel with a Proposition 90 assessed valuation reduction where a homeowner age 55+ can transfer a Proposition 13 base value from a former residence to a replacement residence in a different county.

Source: DTA, Inc.

**TABLE 6**  
**CITY OF FONTANA**  
**COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)**  
**TAXABLE PROPERTY ASSESSED VALUE HISTORY**

<i>Fiscal Year</i>	<i>Parcels Subject to Levy</i>	<i>Zone 1</i>			<i>Zone 2</i>			<i>Zone 3</i>			<i>Total</i>	
		<i>Parcels Subject to Levy</i>	<i>Assessed Value<sup>(1)</sup></i>	<i>Percent Change</i>	<i>Parcels Subject to Levy</i>	<i>Assessed Value<sup>(1)</sup></i>	<i>Percent Change</i>	<i>Parcels Subject to Levy</i>	<i>Assessed Value<sup>(1)</sup></i>	<i>Percent Change</i>	<i>Assessed Value</i>	<i>Percent Change</i>
2011-12	525	126	\$ 51,385,329	NA	282	\$ 53,852,758	NA	117	\$32,929,620	NA	\$138,167,707	NA
2012-13	525	126	51,479,560	0.2%	282	75,365,651	39.9%	117	33,698,177	2.3%	160,543,388	16.2%
2013-14	525	126	52,572,914	2.1	282	100,730,186	33.7	117	32,831,744	(2.6)	186,134,844	15.9
2014-15	525	126	57,030,390	8.5	282	104,484,587	3.7	117	34,864,700	6.2	196,379,677	5.5
2015-16	525	126	59,549,131	4.4	282	107,453,751	2.8	117	35,411,514	1.6	202,414,396	3.1
2016-17	525	126	61,136,556	2.7	282	110,642,630	3.0	117	36,361,950	2.7	208,141,136	2.8
2017-18	525	126	63,465,894	3.8	282	113,752,863	2.8	117	37,432,797	2.9	214,651,554	3.1
2018-19	619	223	72,882,574	14.8	282	114,475,325	0.6	114	33,947,822	(9.3)	221,305,721	3.1
2019-20	619	223	83,766,751	14.9	282	117,746,323	2.9	114	35,147,902	3.5	236,660,976	6.9
2020-21	619	223	118,193,650	41.1	282	121,624,692	3.3	114	36,251,479	3.1	276,069,821	16.7
2021-22	619	223	124,046,514	5.0	282	124,536,199	2.4	114	37,644,457	3.8	286,227,170	3.7

<sup>(1)</sup> Based on applicable San Bernardino County Assessor Roll dated January 1st preceding each fiscal year.

Source: San Bernardino County Secured Rolls, City of Fontana, as compiled by DTA, Inc.

## Delinquency History

The following Table 7 sets forth the Special Tax delinquencies in Fiscal Year 2011-12 through Fiscal Year 2020-21.

**TABLE 7**  
**CITY OF FONTANA**  
**COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)**  
**SPECIAL TAX COLLECTION HISTORY**

<i>Fiscal Year</i>	<i>Annual Special Tax A Levied<sup>(1)</sup></i>	<i>Parcels Subject to Levy</i>	<i>As of Fiscal Year End</i>				<i>As of June 30, 2021</i>		
			<i>Amount Collected</i>	<i>Amount Delinquent<sup>(2)</sup></i>	<i>Number of Parcels Delinquent</i>	<i>Percent Delinquent</i>	<i>Remaining Amount Delinquent<sup>(2)</sup></i>	<i>Remaining Parcels Delinquent</i>	<i>Remaining Percent Delinquent</i>
2011-12	\$1,780,819	525	\$1,763,654	\$17,165	8	0.96%	\$ 0	0	0.00%
2012-13	1,744,328	525	1,727,163	17,165	9	0.98	0	0	0.00
2013-14	1,726,290	525	1,700,869	25,421	12	1.47	0	0	0.00
2014-15	1,726,290	525	1,697,919	28,371	15	1.64	0	0	0.00
2015-16	1,726,290	525	1,711,737	14,553	8	0.84	0	0	0.00
2016-17	1,726,290	525	1,689,901	36,389	17	2.11	941	1	0.05
2017-18	1,726,290	525	1,704,776	21,514	13	1.25	1,882	1	0.11
2018-19	1,576,308	619	1,562,677	13,631	10	0.86	1,882	1	0.12
2019-20	1,647,233	619	1,636,383	10,850	6	0.66	3,554	2	0.22
2020-21	1,758,642	619	1,733,947	24,696	13	1.40	24,696	13	1.40

<sup>(1)</sup> Based on the levy of the Special Tax A for Facilities.

<sup>(2)</sup> Delinquent amount does not include penalties, interest or fees.

Source: San Bernardino County Secured Rolls, City of Fontana, as compiled by DTA, Inc.

## PROPERTY OWNERSHIP AND THE DEVELOPMENTS

*Representatives of the Master Developer, Richmond American, Taylor Morrison, PLC and Tri Pointe have provided the information in this section regarding the Master Developer, Richmond American, Taylor Morrison, PLC and Tri Pointe, respectively, and the development in the District. 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 the Master Developer, Richmond American, Taylor Morrison, PLC and Tri Pointe should not be construed to suggest that the Bonds, or the Special Taxes that will be used to pay the Bonds, are recourse obligations of the Master Developer, Richmond American, Taylor Morrison, PLC, Tri Pointe 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 remaining development within the District will occur as described in this Official Statement. 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 Taxes are not personal obligations of the Master Developer, Richmond American, Taylor Morrison, PLC, Tri Pointe or any other current or subsequent property owners and, in the event that the Master Developer, Richmond American, Taylor Morrison, PLC or Tri Pointe or any other current or subsequent property owner defaults in the payment of the Special Taxes, the City may proceed with judicial foreclosure but has no direct recourse to the assets of Master Developer, Richmond American, Taylor Morrison, PLC or Tri Pointe 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 the Master Developer, Richmond American, Taylor Morrison, PLC or Tri Pointe 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.”*

### **The Master Developer**

The Master Developer is the developer of the master planned community known as “Shady Trails” which encompasses the District. The District, also referred to as Citrus Heights North, consists of three zones encompassing approximately 215.9 gross acres and 106.9 net acres proposed for 1,011 dwelling units. Zone 1 totals 72.2 gross acres and 43 net acres proposed for 223 dwelling units; Zone 2 totals 71.6 gross acres and 36.4 net acres proposed for 356 dwelling units; and Zone 3 totals 72.1 gross acres and 27.5 net acres proposed for 548 dwelling units. The four neighborhoods being developed by the Merchant Builders crosses between portions of Zone 2 and Zone 3.

The Master Developer purchased the property from Citrus Heights North Holding Company, LLC, a Delaware limited liability company (“Citrus Heights Holding Company”) in January 2005. Citrus Heights Holding Company acquired such property in 2003. The Master Developer is an affiliate of Lewis Management Corp., a Delaware corporation.

The Master Developer is an affiliate of Lewis Management Corp. Lewis Management Corp. is owned by The Lewis Group of Companies. The Lewis Group of Companies is a collection of affiliated entities including partnerships, joint ventures, wholly-owned subsidiaries and partially owned subsidiaries collectively referred to herein as “The Lewis Group of Companies.” The Lewis Group of Companies is one of the nation’s largest

privately-held affiliated group of real estate development companies. The Lewis Group of Companies mainly plans and develops mixed-use planned communities and residential subdivisions in California and Nevada, as well as building multi-family communities, shopping centers, office parks and industrial space. The Lewis Group of Companies works with major landowners, other developers, financial institutions and companies in other businesses which also have real estate holdings. The arrangements vary depending on many circumstances. The Lewis Group of Companies will manage for a fee commercial and residential real estate or, contribute equity, or joint venture in the development of such real estate.

The Lewis Group of Companies originated in 1955 in Claremont, California. Since 1955, The Lewis Group of Companies has developed over 57,000 homes, 19.5 million square feet of retail, office and industrial developments, and has developed and sold 21,000 lots to other builders in California, Nevada, Arizona and Utah.

### **The Merchant Builders**

**Richmond American.** Richmond American is a wholly-owned subsidiary of M.D.C. Holdings, Inc., a Delaware corporation (“MDC”). MDC is a publicly traded company whose common stock is listed on the New York Stock Exchange under the symbol “MDC.” Richmond American and its predecessor entity have been building homes in California since 1986.

MDC has two primary operations, homebuilding and financial services. MDC’s homebuilding operations consist of wholly-owned subsidiary companies that build and sell homes under the name “Richmond American Homes.” MDC’s financial services operations include subsidiary companies that provide mortgage financing, place title insurance and homeowner insurance for Richmond American’s homebuyers, and provide general liability insurance for MDC subsidiaries and most of Richmond American’s subcontractors.

MDC is subject to the informational reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance therewith is obligated to file reports, proxy statements, and other information, including financial statements, with the SEC. Such filings, including particularly MDC’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020, as filed with the SEC on February 2, 2021, and MDC’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021, as filed with the SEC on July 29, 2021, set forth certain data relative to such consolidated results of operations and financial position of MDC and its subsidiaries as of such dates. 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 MDC. The address of such internet web site is [www.sec.gov](http://www.sec.gov). All documents subsequently filed by MDC 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 MDC’s Annual Report and related financial statements, prepared in accordance with generally accepted accounting standards, are also available from MDC on MDC’s website at [www.richmondamerican.com](http://www.richmondamerican.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. Richmond American and MDC 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.*

**Taylor Morrison.** As previously defined in this Official Statement, “Taylor Morrison” refers to Taylor Morrison of California, LLC, a California limited liability company. Taylor Morrison Services, Inc., a Delaware corporation qualified in California (“TMSI”), is the sole shareholder of Taylor Morrison. TMSI is controlled by Taylor Morrison Home Corporation, a Delaware corporation (“TMHC”), which is traded on the New York Stock Exchange as “TMHC.” TMHC’s principal executive offices are located in Scottsdale, Arizona. TMHC was

created as a result of the July 2007 merger of two United Kingdom-based, publicly-listed homebuilders, Taylor Woodrow plc and George Wimpey plc, the predecessor entities of which commenced homebuilding operations in the United States in 1936. The subsequent integration of Taylor Woodrow, Inc. and Morrison Homes, Inc. in the United States formed TMHC and Monarch Corporation in Canada, respectively.

TMHC is subject to the informational requirements of the Exchange Act and in accordance therewith files reports, proxy statements, and other information with the SEC. 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 TMHC. The address of such internet web site is “www.sec.gov”. All documents subsequently filed by TMHC 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. Additional information on TMHC, including annual reports and related financial statements, can be found on the investors relations tab at the website “www.taylormorrison.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. Taylor Morrison and TMHC 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.*

**PLC.** As previously defined in this Official Statement, “PLC” is PLC Shady Trails, LLC, a Delaware limited liability company formed to develop and sell the Juniper project. PLC is comprised of two members, PLC Residential Fund, LLC, a Delaware limited liability company (“PLC Residential”), and PLC Communities, LLC, a Delaware limited liability company (“PLC Communities”), which serves as its managing member.

**Tri Pointe.** As previously defined in this Official Statement, “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, particularly Tri Pointe Homes’ Annual Report on Form 10-K for the fiscal year ended December 31, 2020, as filed with the SEC on February 19, 2021, and Tri Pointe Homes’ Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, as filed with the SEC on July 22, 2021, 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.

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.*

## **Development Plan**

**Development Plan.** Development of the property within the District is governed by the Citrus Heights North Specific Plan, as amended. The Citrus Heights North Specific Plan was adopted by the City Council on August 17, 2004 and approves, subject to the approval of other agencies and other requirements described herein, development of a maximum of 1,011 dwelling units, as amended, within 14 residential planning areas (each a “Planning Area” and collectively, the “Planning Areas”) within the District. The overall approved gross density of the project is 5.9 dwelling units per adjusted gross acre. Under the Citrus Heights North Specific Plan, the building pad sizes of the project range from 4,000 square feet to 10,000 square feet.

In connection with the adoption of the Citrus Heights North Specific Plan, in May 2004, the City approved Environmental Impact Report No. 2003111125 prepared by UltraSystems Environmental Inc. (the “Environmental Impact Report”). The Master Developer expects that no additional discretionary approvals or additional environmental review under the CEQA will be required for the remaining currently proposed development in the District.

RMA Group, Geotechnical Consultants, Rancho Cucamonga, California (“RMA Group”) prepared a Geotechnical Investigation, dated June 3, 2005, with respect to the property within the District (the “Geotechnical Report”). The Geotechnical Report concluded that development of the site as proposed appeared feasible from a geologic and geotechnical standpoint. The Geotechnical Report noted that the site is not located within an Alquist-Priolo Special Study Zone for active faults and no known active or potentially active faults are present on the site. However, the District is located south of the junction of two major active fault zones. These faults are the northwest trending San Jacinto fault zone and the east to northeast trending Cucamonga fault zone. The Rialto-Colton fault is also located near the District. In addition there are many other faults in California that could generate earthquakes that would be felt at the site.

The Master Developer, the City and Citrus Heights Holding Company entered into a Development Agreement, dated as of October 6, 2004 (the “Development Agreement”) for the development of the property within the District. Under the terms of the Development Agreement, the Master Developer may develop the property within the District in accordance with the development plan approved by the City and described herein, subject to all subsequent development approvals required in connection with final tract map approval, grading and building permits and any specific plan amendments. The maximum density of the property within the District is 1,011 residential dwelling units as provided in the Citrus Heights North Specific Plan, as amended. Under the Development Agreement, the City has agreed that the permitted uses of the property within the District, the density and intensity of use of the property, the maximum height and size of proposed buildings, and the design, improvement and construction standards and specifications applicable to development of the property of the District is contained in the existing land use regulations.

Pursuant to the Development Agreement, the Master Developer has dedicated an approximately 9.18 acre park to the City for the design and construction of a park complex (the “Park Complex”). The Master Developer constructed certain off-site improvements for the Park Complex under the Development Agreement, and the Park Complex was completed in October 2008. The Master Developer was also required under the Development Agreement to construct certain street and landscaping improvements on Summit Avenue, Citrus Avenue, Knox Avenue and Lytle Creek Road (collectively the “Street Improvements”), all of which has been completed by the Master Developer.

Other than as described in this Official Statement, all of the backbone infrastructure improvements (other than those improvements constructed in connection with home construction) for the remaining currently planned development within the District has been substantially completed.

***General Description of the District.*** The District includes approximately 215.9 gross acres and approximately 106.9 net acres and is located in the northern portion of the City, near Interstate 15 and Summit Avenue, in the western portion of the County. The District is bounded to the south by Summit Avenue, on the east by Citrus Avenue, and on the west by Lytle Creek Road.

The property within the District is being developed into a master planned community known as “Shady Trails.” At build-out, Shady Trails is planned to contain twelve neighborhoods consisting of 1,011 attached and detached single-family residential units. 629 homes have been completed and conveyed to individual homeowners with the remaining 392 proposed homes within Planning Areas 13, 14, 16 and 17 of the District, 10 of which have been completed and conveyed to individual homeowners, being developed into four new neighborhoods known as “Wisteria,” “Aspen Court,” “Birch Bend,” and “Juniper,” respectively. The property within Planning Areas 13, 14, 16 and 17 of the District includes 32.7 net acres and is proposed to include 162 single-family detached condominium pads and 230 single-family attached residential units. Richmond American purchased Wisteria from the Master Developer in two take-downs based on an agreement signed in June 2019. The first take-down was for 61 lots with a minimum building pad size of 2,800 square feet which closed in August 2020. The second take-down was for 41 lots and closed on June 2, 2021. Taylor Morrison purchased Aspen Court from the Master Developer in January 2021. PLC purchased Juniper from the Master Developer in January 2021. Tri Pointe purchased Birch Bend from the Master Developer in January 2021.

As of August 1, 2021, the date of value of the Appraisal (defined herein), within Planning Areas 13, 14, 16 and 17 of the District, there were 10 homes completed and conveyed to individual homeowners, 16 model homes, 18 homes were over 95% complete (17 of which were in escrow), 78 homes were under construction (38 of which were in escrow) and the remaining 270 lots were in a finished lot/pad condition (5 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 August 1, 2021, 108 building permits had been obtained within Planning Areas 13, 14, 16 and 17 of the District.

The Shady Trails community includes an approximately 15,000 square foot community recreation center named “The Parkhouse.” The Parkhouse includes an approximately 2,600 square foot fitness center, a theatre, library, business center, game rooms and cyber café. The Parkhouse also includes a junior Olympic sized swimming pool, spa, sun decks within an approximately 3.5 acre park.

***Richmond American.*** Richmond American is developing the Wisteria neighborhood into 102 single-family detached residential units ranging in size from approximately 2,210 square feet to approximately 2,440 square feet. The Wisteria neighborhood is within Final Tract Map Nos. 17039 and 17039-1. The Wisteria neighborhood opened for sales in October 2020, and Richmond American anticipates final build-out of the Wisteria neighborhood in December 2022. As of August 1, 2021, of the 102 proposed single-family detached residential units within the Wisteria neighborhood, 10 homes had been completed and conveyed to individual homeowners, 3 model homes had been completed, 10 homes were over 95% complete (all of which were in escrow), 31 homes were under construction (all of which were in escrow) and the remaining 48 lots were in a finished lot condition (5 of which were in escrow) and owned by Richmond American. Sales contracts are subject to cancelation and, therefore, homes currently in escrow may not result in closed escrows with the prospective homebuyers. As of August 1, 2021, base sales prices within the Wisteria neighborhood ranged from approximately \$599,990 to approximately \$629,990. Base sales prices are subject to change and exclusive of any premiums, options, upgrades, incentives and any selling concessions or prior reductions currently being offered.



All of the backbone infrastructure required to serve Wisteria has been completed and no discretionary approvals or remediation is necessary in order for Richmond American to obtain the remaining 48 building permits within the Wisteria neighborhood.

*Although the information in this Official Statement reflects the current development expectations of Richmond American, no assurance can be given 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. Richmond American reserves the right to change its development at any time without notice. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation. See “SPECIAL RISK FACTORS – Concentration of Property Ownership.”*

**Taylor Morrison.** Taylor Morrison is developing the Aspen Court neighborhood into 60 single-family detached condominium courtyard homes ranging in size from approximately 1,665 square feet to approximately 1,989 square feet. The Aspen Court neighborhood is within Final Tract Map No. 17041. The Aspen Court neighborhood opened for sales in July 2021, and Taylor Morrison anticipates final build-out of the Aspen Court neighborhood in July 2022. As of August 1, 2021, of the 60 proposed single-family detached condominium courtyard homes within Aspen Court, 4 model homes had been completed, 8 homes were over 95% complete (7 of which were in escrow), 16 homes were under construction (2 of which were in escrow) and the remaining 32 pads were in a finished condition (none of which were in escrow) and owned by Taylor Morrison. Sales contracts are subject to cancellation and, therefore, homes currently in escrow may not result in closed escrows with the prospective homebuyers. As of August 1, 2021, base sales prices within the Aspen Court neighborhood ranged from approximately \$546,260 to approximately \$629,965. Base sales prices are subject to change and exclusive of any premiums, options, upgrades, incentives and any selling concessions or prior reductions currently being offered.

All of the backbone infrastructure required to serve Aspen Court has been completed and no discretionary approvals or remediation is necessary in order for Taylor Morrison to obtain the remaining 32 building permits within Aspen Court.

*Although the information in this Official Statement reflects the current development expectations of Taylor Morrison, no assurance can be given 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. Taylor Morrison reserves the right to change its development at any time without notice. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation. See “SPECIAL RISK FACTORS – Concentration of Property Ownership.”*

**PLC.** PLC is developing the Juniper neighborhood into 91 single-family detached residential condominium units ranging in size from approximately 1,477 square feet to approximately 1,611 square feet. The Juniper neighborhood is within Final Tract Map No. 17041. The Juniper neighborhood opened for sales in July 2021, and PLC anticipates final build-out of the Juniper neighborhood in October 2023. As of August 1, 2021, of the 91 proposed homes within the Juniper neighborhood, 4 model homes had been completed, 9 homes were under construction (none of which were in escrow) and the remaining 78 pads were in a finished lot condition (none of which were in escrow) and owned by PLC. Sales contracts are subject to cancellation and, therefore, homes currently in escrow may not result in closed escrows with the prospective homebuyers. As of August 1, 2021, base sales prices within the Juniper neighborhood ranged from \$484,900 to \$521,900. Base sales prices are subject to change and exclusive of any premiums, options, upgrades, incentives and any selling concessions or prior reductions currently being offered.

All of the backbone infrastructure required to serve Juniper has been completed and no discretionary approvals or remediation is necessary in order for PLC to obtain the remaining 78 building permits.

*Although the information in this Official Statement reflects the current development expectations of PLC, no assurance can be given 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. PLC reserves the right to change its development at any time without notice. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation. See “SPECIAL RISK FACTORS – Concentration of Property Ownership.”*

**Tri Pointe** Tri Pointe is developing the Birch Bend neighborhood into 139 single-family attached residential units ranging in size from approximately 1,311 square feet to approximately 1,927 square feet. The Birch Bend neighborhood is within Final Tract Map No. 17041. The Birch Bend neighborhood opened for sales in July 2021, and Tri Pointe anticipates final build-out of the Birch Bend neighborhood in December 2023. As of August 1, 2021, of the 139 proposed homes within the Birch Bend neighborhood, 5 model homes had been completed, 22 homes were under construction (5 of which were in escrow) and the remaining 112 pads were in a finished condition (none of which were in escrow) and owned by Tri Pointe. Sales contracts are subject to cancellation and, therefore, homes currently in escrow may not result in closed escrows with the prospective homebuyers. As of August 1, 2021, base sales prices within the Birch Bend neighborhood range from approximately \$454,000 to approximately \$529,000. Base sales prices are subject to change and exclusive of any premiums, options, upgrades, incentives and any selling concessions or prior reductions currently being offered.

All of the backbone infrastructure required to serve Birch Bend has been completed and no discretionary approvals or remediation is necessary in order for Tri Pointe to obtain the remaining 112 building permits.

*Although the information in this Official Statement reflects the current development expectations of Tri Pointe, no assurance can be given 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. Tri Pointe reserves the right to change its development at any time without notice. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation. See “SPECIAL RISK FACTORS – Concentration of Property Ownership.”*

**Status of Development.** As of March 1, 2021, all 392 parcels of Taxable Property within the four neighborhoods being developed by the Merchant Builders within Planning Areas 13, 14, 16 and 17 of the District were classified as Undeveloped Property under the Rate and Method. As of August 1, 2021, 51 parcels of Taxable Property classified as Undeveloped Property for the Fiscal Year 2021-22 Special Tax were projected to be classified as Developed Property for Fiscal Year 2022-23, based upon (i) the building permits that have been obtained for such properties as of August 1, 2021, and (ii) the Final Subdivisions encompassing such properties that have recorded as of August 1, 2021. The Assigned Special Tax of such parcels was projected to total \$140,609. All 51 of such parcels were owned by Richmond American.

The Assigned Special Tax projected to be generated by the remaining 341 units of Taxable Property classified as Undeveloped Property for the Fiscal Year 2021-22 Special Tax, was projected to total \$662,682, assuming such parcels are constructed at the home sizes identified in the development plan submitted by the respective Merchant Builder. Richmond American owned 51 of such parcels, totaling \$140,609; Taylor Morrison owned 60 of such parcels, totaling \$114,420; PLC owned 91 of such parcels, totaling \$151,424; and Tri Pointe owned 139 of such parcels, totaling \$256,229. In addition to the 619 completed units within the District, totaling \$1,763,966 for Fiscal Year 2022-23, the Assigned Special Tax of all Taxable Property within the District at build-out is \$2,567,257.

## Financing Plan

**Richmond American.** Through August 1, 2021, Richmond American had spent approximately \$23,590,710 on land acquisition, site development, permit and impact fees, direct and indirect construction costs, and marketing and sales costs (exclusive of internal financing repayment, corporate overhead and other carry costs) on its project within the District. Richmond American expects to spend approximately \$16,896,463 in additional site development, permit and impact fees, direct and indirect construction costs, and marketing and sales costs (exclusive of internal financing repayment, corporate overhead and other carry costs) between August 1, 2021 and full build-out of the homes proposed to be constructed (exclusive of internal financing repayment, sales and marketing, corporate overhead and other carrying costs). Richmond American expects to use internal funding (which may include home sales revenues from its Wisteria project) to complete development of its property in the District.

*Notwithstanding the belief of Richmond American that it will have sufficient funds to complete its planned development in the District, no assurance can be given that amounts necessary to fund the remaining planned development by Richmond American in the District will be available when needed. None of Richmond American, MDC or any other entity or person is under any legal obligation of any kind to expend funds for the development of the property owned by Richmond American in the District. Any contributions by Richmond American or any other entity or person to fund the costs of such development are entirely voluntary. If and to the extent the aforementioned sources are inadequate to pay the costs to complete the planned development by Richmond American within the District, the remaining portions of such development may not be completed. There is no legal obligation to Bondholders to make any such funds available for construction or development, or the payment of ad valorem property taxes or the Special Taxes.*

**Taylor Morrison.** Through August 1, 2021, Taylor Morrison had spent approximately \$ \_\_\_\_\_ on land acquisition, site development, permit and impact fees, direct and indirect construction costs, and marketing and sales costs (exclusive of internal financing repayment, corporate overhead and other carry costs) on its project within the District. Taylor Morrison expects to spend approximately \$ \_\_\_\_\_ in additional site development, permit and impact fees, direct and indirect construction costs, and marketing and sales costs (exclusive of internal financing repayment, corporate overhead and other carry costs) between August 1, 2021 and full build-out of the homes proposed to be constructed. Taylor Morrison expects to use homes sales revenue and internally generated funds to complete development of its property in the District.

*Notwithstanding the belief of Taylor Morrison that it will have sufficient funds to complete its planned development in the District, no assurance can be given that amounts necessary to fund the remaining planned development by Taylor Morrison in the District will be available when needed. None of Taylor Morrison, TMHC or any other entity or person is under any legal obligation of any kind to expend funds for the development of the property owned by Taylor Morrison in the District. Any contributions by Taylor Morrison or any other entity or person to fund the costs of such development are entirely voluntary. If and to the extent the aforementioned sources are inadequate to pay the costs to complete the planned development by Taylor Morrison within the District, the remaining portions of such development may not be completed. There is no legal obligation to Bondholders to make any such funds available for construction or development, or the payment of ad valorem property taxes or the Special Taxes.*

**PLC.** Through August 1, 2021, PLC had spent approximately \$9,550,000 on land acquisition, site development, permit and impact fees, and direct and indirect construction costs on its project within the District. PLC expects to spend approximately \$20,128,000 in additional site development, permit and impact fees, and direct and indirect construction costs between August 1, 2021 and full build-out of the homes proposed to be constructed (exclusive of internal financing repayment, sales and marketing, corporate overhead and other carrying costs).

*Notwithstanding the belief of PLC that it will have sufficient funds to complete its planned development in the District, no assurance can be given that amounts necessary to fund the remaining planned development*

*by PLC in the District will be available when needed. None of PLC, PLC Residential, PLC Communities or any other entity or person is under any legal obligation of any kind to expend funds for the development of the property owned by PLC in the District. Any contributions by PLC or any other entity or person to fund the costs of such development are entirely voluntary. If and to the extent the aforementioned sources are inadequate to pay the costs to complete the planned development by PLC within the District, the remaining portions of such development may not be completed. There is no legal obligation to Bondholders to make any such funds available for construction or development, or the payment of ad valorem property taxes or the Special Taxes.*

**Tri Pointe.** Through August 1, 2021, Tri Pointe had spent approximately \$13,540,224 on land acquisition, site development, permit and impact fees, direct and indirect construction costs, and marketing and sales costs (exclusive of internal financing repayment, corporate overhead and other carry costs) on its project within the District. Tri Pointe expects to spend approximately \$38,494,451 in additional site development, permit and impact fees, direct and indirect construction costs, and marketing and sales costs (exclusive of internal financing repayment, corporate overhead and other carry costs) between August 1, 2021 and full build-out of the homes proposed to be constructed. Tri Pointe expects to finance such costs from internal sources.

*Notwithstanding the belief of Tri Pointe that it will have sufficient funds to complete its planned development in the District, no assurance can be given that amounts necessary to fund the remaining planned development by Tri Pointe in the District will be available when needed. None of Tri Pointe, Tri Pointe Homes or any other entity or person is under any legal obligation of any kind to expend funds for the development of the property owned by Tri Pointe in the District. Any contributions by Tri Pointe or any other entity or person to fund the costs of such development are entirely voluntary. If and to the extent the aforementioned sources are inadequate to pay the costs to complete the planned development by Tri Pointe within the District, the remaining portions of such development may not be completed. There is no legal obligation to Bondholders to make any such funds available for construction or development, or the payment of ad valorem property taxes or the Special Taxes.*

**COVID-19 (Coronavirus) Pandemic.** The development of each Merchant Builder's planned development within the District is subject to disruption due to the COVID-19 pandemic and related public health and governmental authorities' orders and actions. With housing construction considered an essential function in the City, the Merchant Builders have largely continued, with certain modifications, their home construction and sales activities in the District to date. That is, the Merchant Builders have been able to sell, complete, obtain inspections for and close homes during such period, as applicable, and intend to continue its operations to the extent permitted. See "SPECIAL RISK FACTORS—COVID-19 (Coronavirus) Pandemic" herein.

The Merchant Builders cannot predict the ultimate effects of the COVID-19 outbreak and related public health and governmental authorities' orders and actions (including, without limitation, the scope of restrictions under potential Stay Home Orders), on their ability to sell and close units within the District. Such effects, if and as they arise, could have a material adverse effect on the ability to develop the District as planned, and no assurance can be provided that the Merchant Builders will be able to (a) complete in whole or in any part, or within any particular time, their planned development within the District; (b) avoid material increases in development costs or delays resulting from work stoppages, reduced attendance of workers, shortages or delays in the delivery of building materials, and/or delays in obtaining necessary inspections and approvals; or (c) close any additional homes or not experience additional purchase contract cancellations, due to in each case public health or governmental restrictions, further spread of COVID-19, an economic downturn driven by the pandemic, or otherwise.

## **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 Taxes," 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**

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.

No assurance can be given that the individual property owners within the District will pay Special Taxes in the future or that they will be able to pay such Special Taxes 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 Facilities 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 Special Taxes. 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 the Master Builder, the Merchant Builders, or any other property owner to pay the Special Taxes 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 August 1, 2021, 10 of the 392 proposed units had been completed and conveyed to individual homeowners. See “THE COMMUNITY FACILITIES DISTRICT” and “PROPERTY OWNERSHIP AND THE DEVELOPMENTS.” No assurance can be given that the 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 Special Taxes. 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 Special Taxes 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 Taxes 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 Taxes. 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 and could affect the willingness and ability of the owners of land within the District to pay the Special Taxes prior to delinquency.

## **Concentration of Property Ownership**

Based on development status and ownership status as of August 1, 2021, Richmond American is expected to be responsible for approximately 8.64% of the estimated Fiscal Year 2022-23 Special Tax levy within the District, Taylor Morrison is expected to be responsible for approximately 3.41% of the estimated Fiscal Year 2022-23 Special Tax levy within the District, PLC is expected to be responsible for approximately 4.52% of the estimated Fiscal Year 2022-23 Special Tax levy within the District, and Tri Pointe is expected to be responsible for approximately 6.68% of the estimated Fiscal Year 2022-23 Special Tax levy within the District. However, the Merchant Builders could be responsible for a significantly higher percentage of Special Taxes in the future if Additional Bonds are issued and they continue to own the same amount of property in the District. See “Effect of Additional Bonds on Credit Quality” below and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Additional Bonds.”

The inability or refusal of the Merchant Builders to pay the Special Tax applicable to their respective 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 Taxes 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 Taxes pursuant to the Rate and Method may be higher, Maximum Special Taxes on parcels of residential parcels cannot be greater than 110% of the projected actual Special Tax levy on such parcels.

## **Effect of Additional Bonds on Credit Quality**

The District may at any time after the issuance and delivery of the Bonds issue Additional Bonds for the purpose of financing additional Facilities in an aggregate amount not to exceed \$1,805,000\* payable from the Net Special Tax Revenues on a parity with the Outstanding 2018 Bonds, Bonds and any other Additional Bonds theretofore issued under the Indenture or under any Supplemental Indenture for the purpose of funding additional Facilities costs or for the purpose of refunding all or a portion of the 2018 Bonds, Bonds or any Additional Bonds then Outstanding. Additional Bonds may only be issued subject to specific conditions, which are set forth in the Indenture and with which the District must be in compliance. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additional Bonds.”

It is likely that, if Additional Bonds are issued to finance additional Facilities costs, the value-to-lien ratio for certain parcels subject to the Special Tax will be lower than the ratios in Table 3, 4 and 5. If Additional Bonds are issued, the owners of the 2018 Bonds and the Bonds will not have any prior claim on the Special Taxes levied on the property within the District, but will have an equal claim with the owners of any Additional Bonds on the Net Special Tax Revenues collected within the District. Additional Bonds could also be issued at a time where certain of the property upon which Special Taxes will be levied is undeveloped. This could result in Owners of the 2018 Bonds and the Bonds having to rely upon the payment of Special Taxes from Undeveloped Property in addition to Final Mapped Property.

## **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

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\* Preliminary, subject to change.



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 Taxes. 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 XIII C have not been interpreted by the courts, the City believes that the initiative power cannot be used to reduce or repeal the unpaid Special Taxes 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 Taxes 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 XIII C, 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 January 22, 2019. 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 Taxes 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 Taxes."

### **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 Taxes 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 Taxes 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 Special Taxes), 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 Taxes, 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 Taxes and preserve the federal government's mortgage interest.

The District's remedies may also be limited in the case of delinquent Special Taxes 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 value of the property within the District can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements to property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes, topographic conditions such as earth movements, landslides and floods and climatic conditions such as droughts. One or more of such conditions could occur and could result in damage to improvements of varying seriousness. Such damage could entail significant repair or replacement costs and such repair or replacement might never occur either because of the cost or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the value of the Taxable Parcels may well be reduced.

### **Wildfires**

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 of 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. 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 Special Taxes.

### **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. The Master Developer and the Merchant Builders have also represented to the District that they are not aware of any substances currently classified as hazardous by the federal government or the State located on their respective properties 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. 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 Special Taxes 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 Taxes 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 mandatory 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 Taxes 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.

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.

The City carries cyber liability insurance with limits of \$2,000,000 per claim and \$25,000,000 aggregate, with a \$10,000 deductible.

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.

## **COVID-19 (Coronavirus) Pandemic**

The spread of novel strains of coronavirus that cause a disease commonly referred to as COVID-19 ("COVID-19") has had significant negative impacts throughout the world, including in the City. Since mid-March 2020, based on guidance and directives from the State and public health agencies, the City and the State have undergone varying degrees of closure and limited reopening of public buildings and businesses. There have been confirmed cases of COVID-19 in the City, and confirmed cases of COVID-19 are growing throughout the State and health officials are expecting the number of confirmed cases to continue to grow. The outbreak has resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools. The U.S. is restricting certain non-US citizens and permanent residents from entering the country. In addition, stock markets in the U.S. and globally have been volatile, with significant declines attributed to COVID-19 concerns.

In December 2020, two vaccines were approved for emergency use in the United States and vaccinations began in California. A third vaccine was approved for emergency use in February 2021. On June 15, 2021, California fully reopened its economy ending capacity limits, physical distancing and certain mask requirements for individuals who are fully vaccinated in accordance with guidance from the Centers for Disease Control and Prevention (the "CDC"). Masks are still required on public transportation, in hospitals and jails, in schools and in other child care centers pending updated guidance from the CDC. Public health measures currently remain for events with 5,000 or more people indoors or 10,000 attendees or more outdoors, with vaccine verification recommended. Certain public health measures, including but not limited to mask, testing and/or vaccination requirements, remain in certain business settings and for certain industries.

The City initially closed certain non-essential functions of the City, while City Hall, Community Services Administration Office and public safety functions remained opened to service City residents and businesses. The City's Building & Safety Department remained opened and continued to issue building permits and inspect unoccupied dwellings for the lots within the City. Other City Departments that serve businesses and residents within the District telecommuted and/or continued in-person work schedules to meet the needs of the community. City offices have begun to reopen in accordance with County Public Health Guidelines. Other public agencies serving the property and residents within the District may have taken similar actions in response

to the COVID-19 pandemic, though the District and the City can provide no assurance regarding the actions of any other public agencies. Such actions may affect the Developers' ability to complete their planned developments in the time periods and within cost estimates described in the Official Statement. See "PROPERTY OWNERSHIP AND THE DEVELOPMENT."

The COVID-19 pandemic is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impacts are uncertain. However, the impact of the COVID-19 outbreak could adversely impact development within the District, including, but not limited to, one or more of the following ways: (i) potential supply chain slowdowns or shutdowns resulting from the unavailability of workers in locations producing construction materials; (ii) slowdowns or shutdowns by local governmental agencies in providing governmental permits, inspections, title and document recordation, and other services and activities associated with real estate development; (iii) delays in construction where one or more members of the workforce becomes infected with COVID-19; (iv) continued extreme fluctuations in financial markets and contraction in available liquidity; (v) extensive job losses and declines in business activity across important sectors of the economy; (vi) declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession; (vii) the failure of government measures to stabilize the financial sector and introduce fiscal stimulus to counteract the economic impact of the pandemic; (viii) delays in sales or fewer sales due to lower traffic at model home complexes and real estate offices; and (ix) delays in sales, or cancellations, due to mortgage lending issues. The ultimate adverse impact of COVID-19 on the District, the Master Developer's and Merchant Builders' operations, finances and ability to complete its development within the District as planned, homebuyers' willingness and ability to pay Special Taxes when due, and the real estate market in general is unknown.

## **CONTINUING DISCLOSURE**

Pursuant to a Continuing Disclosure Agreement (the "District Continuing Disclosure Agreement") with U.S. Bank 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 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.

Within the last five years, the City and the Authority have timely filed all regular annual reports pursuant to such undertakings. However, the Successor Agency, as successor to the undertakings of the former Fontana Redevelopment Agency (the "Former Agency"), failed to file one annual report for one issue of the Former Agency's bonds and failed to link one annual report to the relevant CUSIPs for one issue of the Former Agency's bonds. Additionally, 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. Further, 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. Additionally, the City, the Authority, the Successor Agency and two 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 F.

## **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 alternative minimum tax. 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 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 is expected to express 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, parties other than the District and its appointed counsel, including the 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.

#### **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 City Attorney's actual 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 Taxes, or in any way contest or affect the validity of the Bonds, the Indenture, the Special Taxes, 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. Copies of such approving opinion will accompany each Bond. 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][minus] [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. 31 (CITRUS HEIGHTS NORTH)

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

## APPENDIX A

### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

#### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH)

A Special Tax shall be levied on all Assessor's Parcels in City of Fontana Community Facilities District No. 31 (Citrus Heights North) ("CFD No. 31") and collected each Fiscal Year commencing in Fiscal Year 2005-2006, in an amount determined through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 31, 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 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 parcel map. 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, being Chapter 2.5, Part 1, Division 2 of Title 5 of the California Government Code.

**"Administrative Expenses"** means the following actual or reasonably estimated costs directly related to the administration of CFD No. 31: 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. 31 or any designee thereof of complying with arbitrage rebate requirements; the costs to the City, CFD No. 31 or any designee thereof of complying with City, CFD No. 31 or obligated persons disclosure requirements of 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. 31 or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from any escrow account; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 31 for any other administrative purposes of CFD No. 31, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

**"Assessor's Parcel"** means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

**"Assessor's Parcel Map"** means an official map of the County Assessor of the County designating parcels by Assessor's Parcel number.

**"Assigned Special Tax A"** means the Special Tax A for each Land Use Class of Developed Property, as determined in accordance with Section C.1.a.(2) below.

**“Assigned Special Tax B”** means the Special Tax B for each Land Use Class of Developed Property, as determined in accordance with Section C.2.b below.

**“Backup Special Tax A”** means the Special Tax A applicable to each Assessor’s Parcel of Developed Property in each Zone, as determined in accordance with Section C.1.a.(3) below.

**“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. 31 under the Act.

**“Certificate of Occupancy”** means a certificate issued by the City that authorizes the actual occupancy of a dwelling unit for habitation by one or more residents.

**“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 and providing for the levy and collection of the Special Taxes.

**“CFD No. 31”** means City of Fontana Community Facilities District No. 31 (Citrus Heights North).

**“City”** means the City of Fontana.

**“Council”** means the City Council of the City, acting as the legislative body of CFD No. 31.

**“County”** means the County of San Bernardino.

**“Developed Property”** means, for each Fiscal Year, (i) with respect to the Special Tax A, all Taxable Property, exclusive of Taxable Public Property and Taxable Property Owner Association Property, for which the Final Subdivision was recorded on or before January 1 of the prior Fiscal Year and a building permit for new construction was issued after January 1, 2004 and on or before March 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied, and (ii) with respect to the Special Tax B, all Assessor’s Parcels of Taxable Property for which the Final Residential Subdivision was recorded prior to the Fiscal Year for which the Special Tax B is being levied, and all Assessor’s Parcels of Taxable Property for which a building permit has been issued with respect to Non- Residential Property prior to the Fiscal Year for which the Special Tax B is being levied.

**“Final Mapped Property”** means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property or Taxable Public Property, which as of January 1 of the previous Fiscal Year was located within a Final Subdivision.

**“Final Residential Subdivision”** means a Final Subdivision that creates individual lots for which building permits are authorized to be issued for residential units without further subdivision of such property.

**“Final Subdivision”** means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual lots for which building permits may be issued without further subdivision.

**“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

**“Indenture”** means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time.



**“Initial Maximum Special Tax A”** means the initial maximum Special Tax A, determined in accordance with Section C.1.b.(1) below, that can be levied in any Fiscal Year on any Assessor’s Parcel of Final Mapped Property and Undeveloped Property.

**“Land Use Class”** means any of the classes listed in Table 1, Table 4, or Table 5 below.

**“Maximum Special Tax”** means the Maximum Special Tax A and/or Maximum Special Tax B, as applicable.

**“Maximum Special Tax A”** means the maximum Special Tax A, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel.

**“Maximum Special Tax B”** means the maximum Special Tax B, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel.

**“Non-Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit permitting the construction of one or more non-residential units or facilities has been issued by the City.

**“Outstanding Bonds”** means all Bonds which are deemed to be outstanding under the Indenture.

**“Property Owner Association Property”** means, for each Fiscal Year, any property within the boundaries of CFD No. 31 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

**“Proportionately”** means, for Developed Property, that the ratio of the actual Special Tax A levy to the Assigned Special Tax A is equal for all Assessor’s Parcels of Developed Property and that the ratio of the actual Special Tax B levy to the Assigned Special Tax B is equal for all Assessor’s Parcels of Developed Property. For Final Mapped Property, “Proportionately” means that the ratio of the actual Special Tax A levy per Acre to the Initial Maximum Special Tax A per Acre is equal for all Assessor’s Parcels of Final Mapped Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax A levy per Acre to the Initial Maximum Special Tax A per Acre is equal for all Assessor’s Parcels of Undeveloped Property. The term “Proportionately” may similarly be applied to other categories of Taxable Property as listed in Section D below.

**“Public Property”** means, for each Fiscal Year, (i) any property within the boundaries of CFD No. 31 owned by, irrevocably offered or dedicated to, or over, or through or under which an easement for purposes of public right-of-way has been granted, to the federal government, the State, the County, the City, or any local government or other public agency as of January 1 of the previous Fiscal Year, provided 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) any property within the boundaries of CFD No. 31 that was encumbered, as of January 1 of the previous Fiscal Year, by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

**“Residential Floor Area”** means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area for an Assessor’s Parcel shall be made by reference to the building permit(s) issued for such Assessor’s Parcel.

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit permitting the construction thereon of one or more residential dwelling units has been issued by the City.

**“Special Tax”** means the Special Tax A and/or Special Tax B, as applicable.

**“Special Tax A”** means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 31 to fund the Special Tax Requirement for Facilities.

**“Special Tax B”** means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 31 to fund the Special Tax Requirement for Services.

**“Special Tax Requirement for Facilities”** means that amount required in any Fiscal Year for CFD No. 31 to: (i) pay debt service on all Outstanding Bonds due in the calendar year commencing in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds due in the calendar year commencing in such Fiscal Year; (iii) pay a proportionate share of Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) pay directly for acquisition or construction of CFD No. 31 facilities eligible under the Act to the extent that the inclusion of such amount does not increase the Special Tax A levy on Undeveloped Property; (vi) pay for reasonably anticipated Special Tax A delinquencies based on the delinquency rate for the Special Tax A levy in the previous Fiscal Year; less (vii) a credit for funds available to reduce the annual Special Tax A levy, as determined by the CFD Administrator pursuant to the Indenture.

**“Special Tax Requirement for Services”** means that amount required in any Fiscal Year for CFD No. 31 to (i) pay the costs associated with the maintenance of parks, parkways, and open space within the area of CFD No. 31 and the costs associated with the determination of the amount and collection of the Special Tax B levy, and costs incurred to carry out the authorized purposes of CFD No. 31; (ii) pay for reasonably anticipated Special Tax B delinquencies based on the delinquency rate for the Special Tax B levy in the previous Fiscal Year; less (iii) a credit for funds available to reduce the annual Special Tax B levy, as determined by the CFD Administrator.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 31 which are not exempt from the Special Tax pursuant to law or Section E below.

**“Taxable Property Owner Association Property”** means, for each Fiscal Year, all Assessor’s Parcels of Property Owner Association Property that are not exempt from the Special Tax pursuant to Section E below.

**“Taxable Public Property”** means, for each Fiscal Year, all Assessor’s Parcels of Public Property that are not exempt from the Special Tax pursuant to Section E below.

**“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, Final Mapped Property, Taxable Property Owner Association Property or Taxable Public Property.

**“Zone”** means Zone 1, Zone 2, or Zone 3, as applicable.

**“Zone 1”** means the area geographically identified within the boundaries of Zone 1 as delineated in Exhibit A to this Rate and Method of Apportionment and further identified in Tentative Tract Map No. 16868 approved by the Planning Commission of the City on September 27, 2004 and Tentative Tract Map No. 16872 approved by the Planning Commission of the City on October 25, 2004. The area geographically identified within the boundaries of Zone 1 may be amended from time-to-time or

modified pursuant to a final map or precise site plan for such property only at the discretion of the CFD Administrator provided that such change will not reduce the amount of Maximum Special Tax A below the amount required to equal at least 1.1 times the maximum annual debt service on all Outstanding Bonds, plus the Administrative Expenses.

**“Zone 2”** means the area geographically identified within the boundaries of Zone 2 as delineated in Exhibit A to this Rate and Method of Apportionment and further identified in Tentative Tract Map No. 16868 approved by the Planning Commission of the City on September 27, 2004. The area geographically identified within the boundaries of Zone 2 may be amended from time-to-time or modified pursuant to a final map or precise site plan for such property only at the discretion of the CFD Administrator provided that such change will not reduce the amount of Maximum Special Tax A below the amount required to equal at least 1.1 times the maximum annual debt service on all Outstanding Bonds, plus the Administrative Expenses.

**“Zone 3”** means the area geographically identified within the boundaries of Zone 3 as delineated in Exhibit A to this Rate and Method of Apportionment and further identified in Tentative Tract Map No. 16868 approved by the Planning Commission of the City on September 27, 2004. The area geographically identified within the boundaries of Zone 3 may be amended from time-to-time or modified pursuant to a final map or precise site plan for such property only at the discretion of the CFD Administrator provided that such change will not reduce the amount of Maximum Special Tax A below the amount required to equal at least 1.1 times the maximum annual debt service on all Outstanding Bonds, plus the Administrative Expenses.

**B. ASSIGNMENT TO LAND USE CLASSES**

Each Fiscal Year, all Taxable Property within CFD No. 31 shall be assigned to a Zone and further classified as Developed Property, Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, or Taxable Public Property, and shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and D below.

**C. MAXIMUM SPECIAL TAX RATE**

**1. Special Tax A**

Residential Property shall be assigned to Land Use Classes 1 through 17 as listed in Table 1 below based on the Residential Floor Area for each unit. Non-Residential Property shall be assigned to Land Use Class 18. With respect to Residential Property, the Residential Floor Area shall be determined from the most recent building permit issued prior to the issuance of a Certificate of Occupancy for such Assessor’s Parcel.

**a. Developed Property**

**(1) Maximum Special Tax A**

The Maximum Special Tax A for each Assessor’s Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax A or (ii) the amount derived by application of the Backup Special Tax A.

(2) Assigned Special Tax A

The Fiscal Year 2005-2006 Assigned Special Tax A for each Land Use Class is shown below in Table 1.

**TABLE 1**

**Fiscal Year 2005-2006  
Assigned Special Tax A for Developed Property  
City of Fontana Community Facilities District No. 31**

<i>Land Use Class</i>	<i>Description</i>	<i>Residential Floor Area</i>	<i>Assigned Special Tax A</i>
1	Residential Property	=> 4,275 s.f.	\$3,764 per unit
2	Residential Property	4,075 – 4,274 s.f.	\$3,595 per unit
3	Residential Property	3,875 – 4,074 s.f.	\$3,490 per unit
4	Residential Property	3,675 – 3,874 s.f.	\$3,409 per unit
5	Residential Property	3,475 – 3,674 s.f.	\$3,344 per unit
6	Residential Property	3,275 – 3,474 s.f.	\$3,223 per unit
7	Residential Property	3,075 – 3,274 s.f.	\$3,130 per unit
8	Residential Property	2,875 – 3,074 s.f.	\$3,037 per unit
9	Residential Property	2,675 – 2,874 s.f.	\$2,916 per unit
10	Residential Property	2,475 – 2,674 s.f.	\$2,795 per unit
11	Residential Property	2,275 – 2,474 s.f.	\$2,795 per unit
12	Residential Property	2,075 – 2,274 s.f.	\$2,674 per unit
13	Residential Property	1,875 – 2,074 s.f.	\$2,108 per unit
14	Residential Property	1,675 – 1,874 s.f.	\$1,882 per unit
15	Residential Property	1,475 – 1,674 s.f.	\$1,664 per unit
16	Residential Property	1,275 – 1,474 s.f.	\$1,503 per unit
17	Residential Property	< 1,275 s.f.	\$1,180 per unit
18	Non-Residential Property	NA	\$32,233 per Acre

(3) Backup Special Tax A

The Fiscal Year 2005-2006 Backup Special Tax A attributable to a Final Subdivision in Zone 1, Zone 2, or Zone 3 will equal the applicable Backup Special Tax A for such Zone, identified in Table 2 below, multiplied by the Acreage of all Taxable Property, exclusive of any Taxable Property Owner Association Property and Taxable Public Property, therein. The Backup Special Tax A for each Assessor's Parcel of Residential Property shall be computed by dividing the Backup Special Tax A attributable to the applicable Final Subdivision by the number of Assessor's Parcels for which building permits for residential construction have or may be issued (i.e., the number of residential lots). The Backup Special Tax A for each Assessor's Parcel of Non-Residential Property in Zone 1, Zone 2, or Zone 3 shall equal the applicable Backup Special Tax A for such Zone, identified in Table 2 below, multiplied by the Acreage of such Assessor's Parcel.

**TABLE 2**

**Fiscal Year 2005-2006  
Backup Special Tax A  
City of Fontana Community Facilities District No. 31**

<i>Special Tax Classification</i>	<i>Backup Special Tax A</i>
Zone 1	\$20,945 per Acre
Zone 2	\$31,636 per Acre
Zone 3	\$37,916 per Acre

If a Final Subdivision includes Assessor's Parcels of Taxable Property for which building permits for both residential and non-residential construction may be issued, exclusive of Taxable Property Owner Association Property and Taxable Public Property, then the Backup Special Tax A for each Assessor's Parcel of Residential Property shall be computed exclusive of the Acreage and Assessor's Parcels of property for which building permits for non-residential construction may be issued.

Notwithstanding the foregoing, if all or any portion of the Final Subdivision(s) described in the preceding paragraphs is subsequently changed or modified by recordation of a lot line adjustment or similar instrument, and only if the CFD Administrator determines that such change or modification results in a decrease in the number of Assessor's Parcels of Taxable Property for which building permits for residential construction have or may be issued within such Final Subdivision, then the Backup Special Tax A for each Assessor's Parcel of Developed Property that is part of the lot line adjustment or similar instrument for such Final Subdivision shall be a rate per Acre as calculated below. The Backup Special Tax A previously determined for an Assessor's Parcel of Developed Property that is not a part of the lot line adjustment or similar instrument for such Final Subdivision shall not be recalculated.

1. Determine the total Backup Special Tax A anticipated to apply to the changed or modified portion of the Final Subdivision area prior to the change or modification.
2. The result of paragraph 1 above shall be divided by the Acreage of Taxable Property which is ultimately expected to exist in such changed or modified portion of the Final Subdivision area, as reasonably determined by the CFD Administrator.
3. The result of paragraph 2 above shall be the Backup Special Tax A per Acre which shall be applicable to Assessor's Parcels of Developed Property in such changed or modified portion of the Final Subdivision area for all remaining Fiscal Years in which the Special Tax A may be levied.

- (4) Increase in the Assigned Special Tax A and Backup Special Tax A

The Fiscal Year 2005-2006 Assigned Special Tax A, identified in Table 1 above, and Backup Special Tax A, identified in Table 2 above, shall not be subject to change and shall therefore remain the same in every Fiscal Year.

(5) Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax A levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax A for all Land Use Classes located on that Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final.

b. Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property

(1) Initial Maximum Special Tax A

The Fiscal Year 2005-2006 Initial Maximum Special Tax A for each Assessor's Parcel of Final Mapped Property and Undeveloped Property in Zone 1, Zone 2, or Zone 3 shall equal the applicable Initial Maximum Special Tax A for such Zone, identified in Table 3 below, and shall not be subject to change and shall therefore remain the same in every Fiscal Year.

**TABLE 3**

**Fiscal Year 2005-2006  
Initial Maximum Special Tax A  
City of Fontana Community Facilities District No. 31**

<i>Special Tax Classification</i>	<i>Initial Maximum Special Tax A</i>
Zone 1	\$17,806 per Acre
Zone 2	\$26,894 per Acre
Zone 3	\$32,233 per Acre

(2) Maximum Special Tax A

The Fiscal Year 2005-2006 Maximum Special Tax A for Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property shall be \$37,916 per Acre, and shall not be subject to change and shall therefore remain the same in every Fiscal Year.

**2. Special Tax B**

Assessor's Parcels of Developed Property within a Final Residential Subdivision shall be assigned to Land Use Class 1 and Non-Residential Property shall be assigned to Land Use Class 2. Furthermore, the Special Tax B levied against each Assessor's Parcel within a Final Residential Subdivision shall be based on the expected number of residential dwelling units for which building permits have been issued or are expected to be issued for such Assessor's Parcel.

a. Maximum Special Tax B

The Fiscal Year 2005-2006 Maximum Special Tax B for each Land Use Class is shown below in Table 4.

**TABLE 4**

**Fiscal Year 2005-2006  
Maximum Special Tax B for Developed Property  
City of Fontana Community Facilities District No. 31**

<i>Land Use Class</i>	<i>Description</i>	<i>Maximum Special Tax B</i>
1	Final Residential Subdivision	\$665 per unit
2	Non-Residential Property	\$2,860 per Acre

b. Assigned Special Tax B

The Fiscal Year 2005-2006 Assigned Special Tax B for each Land Use Class is shown below in Table 5.

**TABLE 5**

**Fiscal Year 2005-2006  
Assigned Special Tax B for Developed Property  
City of Fontana Community Facilities District No. 31**

<i>Land Use Class</i>	<i>Description</i>	<i>Assigned Special Tax B</i>
1	Final Residential Subdivision	\$475 per unit
2	Non-Residential Property	\$2,040 per Acre

c. Increase in the Maximum Special Tax B

On each July 1, commencing on July 1, 2006, the Maximum Special Tax B for Developed Property 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 Special Tax B

The Assigned Special Tax B above shall be applicable for Fiscal Year 2005- 2006, and shall increase thereafter, commencing on July 1, 2006, and on each July 1 thereafter according to the actual cost of the Special Tax Requirement for Services. However, in no case shall the Assigned Special Tax B for Developed Property exceed the Maximum Special Tax B for Developed Property in any Fiscal Year.

**D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

**1. Special Tax A**

Commencing with Fiscal Year 2005-2006 and for each following Fiscal Year, the Council shall determine the Special Tax Requirement for Facilities and shall levy the Special Tax A until the total Special Tax A levy equals the Special Tax Requirement for Facilities. The Special Tax A shall be levied each Fiscal Year as follows:

First: The Special Tax A shall be levied on each Assessor's Parcel of Developed Property in an amount equal to 100% of the applicable Assigned Special Tax A;

Second: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first step has been completed, the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Final Mapped Property in Zone 1, Zone 2, and Zone 3 at up to 100% of the applicable Initial Maximum Special Tax A;

Third: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the second step has been completed, the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property in Zone 1, Zone 2, and Zone 3 at up to 100% of the applicable Initial Maximum Special Tax A;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then the levy of the Special Tax A on each Assessor's Parcel of Final Mapped Property and Undeveloped Property in Zone 1, Zone 2, and Zone 3 shall be increased in equal percentages from the applicable Initial Maximum Special Tax A for such Zone up to 100% of the applicable Maximum Special Tax A for Final Mapped Property and Undeveloped Property;

Fifth: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first four steps have been completed, then the levy of the Special Tax A on each Assessor's Parcel of Developed Property in Zone 1, Zone 2, and Zone 3 whose Maximum Special Tax A is determined through the application of the Backup Special Tax A shall be increased in equal percentages from the Assigned Special Tax A up to the Maximum Special Tax A for each such Assessor's Parcel;

Sixth: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first five steps have been completed, then the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property at up to the Maximum Special Tax A for Taxable Property Owner Association Property;

Seventh: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first six steps have been completed, then the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property at up to the Maximum Special Tax A for Taxable Public Property.

Notwithstanding the above the Council may, in any Fiscal Year, levy Proportionately less than 100% of the Assigned Special Tax A in step one (above), when (i) the Council is no longer required to levy the Special Tax A pursuant to steps two through seven above in order to meet the Special Tax Requirement for Facilities, and (ii) all authorized Bonds have already been issued or the Council has covenanted that it will not issue any additional Bonds (except refunding bonds) to be supported by the Special Tax A.



Further notwithstanding the above, under no circumstances will the Special Tax A levied against any Assessor's Parcel of Residential Property for which a Certificate of Occupancy has been issued be increased by more than ten percent as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 31.

**2. Special Tax B**

Commencing with Fiscal Year 2005-2006 and for each following Fiscal Year, the Council shall levy the Special Tax B until the total Special Tax B levy equals the Special Tax Requirement for Services. The Special Tax B shall be levied each Fiscal Year as follows:

First: The Special Tax B shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax B for such Assessor's Parcel;

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 Special Tax B on each Assessor's Parcel of Developed Property shall be increased in equal percentages from the Assigned Special Tax B up to the Maximum Special Tax B for each such Assessor's Parcel;

**E. EXEMPTIONS**

**1. Special Tax A**

No Special Tax A shall be levied on up to 11.0 Acres of Public Property and up to 18.2 Acres of Property Owner Association Property in Zone 1. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property in Zone 1 becomes Public Property or Property Owner Association Property. However, should an Assessor's Parcel in Zone 1 no longer be classified as Public Property or Property Owner Association Property, its tax-exempt status will be revoked.

No Special Tax A shall be levied on up to 5.6 Acres of Public Property and up to 29.6 Acres of Property Owner Association Property in Zone 2. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property in Zone 2 becomes Public Property or Property Owner Association Property. However, should an Assessor's Parcel in Zone 2 no longer be classified as Public Property or Property Owner Association Property, its tax-exempt status will be revoked.

No Special Tax A shall be levied on up to 30.9 Acres of Public Property and up to 13.7 Acres of Property Owner Association Property in Zone 3. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property in Zone 3 becomes Public Property or Property Owner Association Property. However, should an Assessor's Parcel in Zone 3 no longer be classified as Public Property or Property Owner Association Property, its tax-exempt status will be revoked.

Public Property or Property Owner Association Property that is not exempt from the Special Tax A under this section shall be subject to the levy of the Special Tax A and shall be taxed Proportionately as part of the sixth and seventh steps in Section D.1.

**2. Special Tax B**

The Council shall not levy a Special Tax B on Public Property or Property Owner Association Property, except as otherwise provided in Sections 53317.3, 53317.5, and 53340.1 of the Act.

The exempt status will be irrevocably assigned by the CFD Administrator.

**F. APPEALS AND INTERPRETATIONS**

Any property owner claiming that the amount of application of the Special Tax is not correct and requesting a refund may file a written notice of appeal with the CFD Administrator not later than one calendar year after having paid the Special Tax that is disputed. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and decide the appeal. If the CFD Administrator's decision requires the Special Tax be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the next Special Tax levy. Any dispute over the decision of the CFD Administrator shall be referred to Council and the decision of Council shall be final. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition of any legal action by such owner.

**G. 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. 31 may directly bill the Special Tax, may collect Special Taxes 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.

**H. PREPAYMENT OF SPECIAL TAX A**

**1. Prepayment in Full**

The obligation of an Assessor's Parcel to pay the Special Tax A may be prepaid and permanently satisfied as described herein; provided that a prepayment may be made only for Assessor's Parcels of Developed Property, or an Assessor's Parcel of Final Mapped Property or Undeveloped Property for which a building permit has been issued, 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 Special Tax A 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 of such Assessor's Parcel. The CFD Administrator may charge a reasonable fee for providing this service. Prepayment must be made not less than 45 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The Special Tax B may not be prepaid.

The following additional definitions apply to this Section H:

**"Buildout"** means, for CFD No. 31, that all expected building permits have been issued.

**"CFD Public Facilities"** means either \$30,221,100 in 2005 dollars, which shall increase by the Construction Inflation Index on July 1, 2006, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities to be provided by CFD No. 31 under the authorized bonding program for CFD No. 31, or (ii) shall be determined by the Council concurrently with a covenant that it will not issue any more Bonds (except refunding bonds) to be supported by the Special Tax A levied under this Rate and Method of Apportionment as described in Section D.1.

**“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 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 minus (i) public facility costs previously paid from the Improvement Fund, (ii) moneys currently on deposit in the Improvement Fund, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance the cost of CFD Public Facilities.

**“Improvement Fund”** means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct CFD Public Facilities eligible under the Act.

**“Previously Issued Bonds”** means, for any Fiscal Year, all Outstanding Bonds that are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

The 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	<u>Capitalized Interest Credit</u>
Total: equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined below) shall be calculated as follows:

**Paragraph No.:**

1. Confirm that no Special Tax delinquencies apply to such Assessor’s Parcel.
2. For Assessor’s Parcels of Developed Property, compute the Assigned Special Tax A and Backup Special Tax A. For Assessor’s Parcels of Final Mapped Property and Undeveloped Property for which a building permit has been issued, compute the Assigned Special Tax A and Backup Special Tax A 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 that Assessor’s Parcel.
3. (a) Divide the Assigned Special Tax A computed pursuant to paragraph 2 by the total estimated Assigned Special Tax A for the entire CFD No. 31 based on the Developed Property Special Tax A which could be levied in the current Fiscal Year on all expected development through Buildout of CFD No. 31, excluding any Assessor’s Parcels which have been prepaid, and

- (b) Divide the Backup Special Tax A computed pursuant to paragraph 2 by the total estimated Backup Special Tax A at Buildout for the entire CFD No. 31, 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 retired and prepaid (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-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 earliest redemption date for the Previously Issued Bonds.
  9. Determine the Special Tax A 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 Prepayment Amount less the Future Facilities Amount and 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. 31 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 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 such that the amount then on deposit in the reserve fund for the Previously Issued Bonds drops 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 (the "*Capitalized Interest Credit*").

15. The Special Tax A 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 “*Prepayment Amount*”).

From the Prepayment Amount, the amounts computed pursuant to paragraphs 4, 5, 11, 13 and 14 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Previously Issued Bonds or make debt service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Improvement Fund. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 31.

The Special Tax A Prepayment Amount may be insufficient to redeem a full \$5,000 increment of Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of Bonds or to make debt service payments.

Upon confirmation of the payment of the current Fiscal Year’s Special Tax A levy as determined under paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year’s Special Tax A levy for such Assessor’s Parcel from the County tax rolls. With respect to any Assessor’s Parcel that is prepaid, the Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax A and the release of the Special Tax A lien on such Assessor’s Parcel, and the obligation of such Assessor’s Parcel to pay the Special Tax A shall cease.

Notwithstanding the foregoing, no Special Tax A prepayment shall be allowed unless, at the time of such proposed prepayment, the amount of Maximum Special Tax A that may be levied on Taxable Property within CFD No. 31 (after excluding 47.5 Acres of Public Property and 61.5 Acres of Property Owner Association Property that are exempt from the Special Tax as set forth in Section E) both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Previously Issued Bonds, plus the Administrative Expenses.

## **2. Prepayment in Part**

The Special Tax A on an Assessor’s Parcel of Developed Property, or an Assessor’s Parcel of Final Mapped Property or Undeveloped Property for which a building permit has been issued may be partially prepaid. 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:

$$PP = [(P_E - A) \times F] + A$$

These terms have the following meaning:

PP = the partial prepayment

P<sub>E</sub> = the Special Tax A Prepayment Amount calculated according to Section H.1

A = the Administrative Fees and Expenses 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 Special Tax A

The owner of any Assessor’s Parcel who desires such prepayment shall notify the CFD Administrator of such owner’s intent to partially prepay the Special Tax A and the percentage by which the Special Tax A shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax A for an Assessor’s Parcel within 30 days of the request and may charge a reasonable fee for providing

this service. With respect to any Assessor's Parcel that is partially prepaid, the Council shall (i) distribute the funds remitted to it according to Section H.1, and (ii) indicate in the records of CFD No. 31 that there has been a partial prepayment of the Special Tax A and that a portion of the Special Tax A with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the remaining Maximum Special Tax A, shall continue to be levied on such Assessor's Parcel pursuant to Section D.1.

**I. TERM OF SPECIAL TAX**

The Special Tax A shall be levied for a period not to exceed forty-five years commencing with Fiscal Year 2005-2006. The Special Tax B shall be levied as long as necessary to meet the Special Tax Requirement for Services.

**APPENDIX B**  
**APPRAISAL REPORT**

## **APPENDIX C**

### **SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE**

[TO COME FROM BOND COUNSEL]



**APPENDIX D**  
**FORM OF OPINION OF BOND COUNSEL**

[TO BE ATTACHED]

## 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.*

#### **General**

The City of Fontana encompasses approximately 42.4 square miles of land and has an estimated population in 2021 of approximately 213,944. 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 sites 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 Fontana, California 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. 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. The City contracts with the County for fire protection 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 6.69% from 2013 to 2021. 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 2013-2021

<i>Year<sup>(1)</sup></i>	<i>City of Fontana</i>	<i>County of San Bernardino</i>	<i>State of California</i>
2013	200,522	2,084,443	38,269,864
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	213,944	2,175,909	39,466,855

<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 sea ports, 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 the completion of its twin terminals, it is able to handle approximately 10 million passengers annually. When passenger traffic reaches 10 million in two consecutive years, a third terminal will be constructed. LA/Ontario International Airport is the Western States Regional Terminal for United Parcel Service. It is a member of the Los Angeles World Airports system and is ideally situated as an airfreight center for Pacific Rim and European cargo. Over 5.5 million passengers used the airport in 2019, 9.1 % more than the same period in 2018, and over 781,000 tons of air freight were shipped, an increase of 4.1% over the same period last year.

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 district 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 2016 through 2020 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 2016 through 2020<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>2016</u>				
City of Fontana	95,300	90,100	5,200	5.5%
San Bernardino County	930,900	877,200	53,700	5.8
State of California	19,044,500	18,002,800	1,041,700	5.5
United States	159,187,000	151,436,000	7,751,000	4.9
<u>2017</u>				
City of Fontana	96,900	92,400	4,600	4.7%
San Bernardino County	944,300	897,800	46,500	4.9
State of California	19,205,300	18,285,500	919,800	4.8
United States	160,320,000	153,337,000	6,982,000	4.4
<u>2018</u>				
City of Fontana	98,500	94,700	3,800	3.9%
San Bernardino County	956,083	916,725	39,375	4.1
State of California	19,281,092	18,460,433	820,650	4.3
United States	162,075,000	155,761,000	6,314,000	3.9
<u>2019</u>				
City of Fontana	99,600	96,100	3,500	3.6%
San Bernardino County	967,700	930,708	37,017	3.8
State of California	19,408,271	18,623,900	784,375	4.0
United States	163,539,000	157,538,000	6,001,000	3.7
<u>2020</u>				
City of Fontana	99,500	90,300	9,200	9.2%
San Bernardino County	966,200	874,900	91,300	9.4
State of California	18,821,200	16,913,100	1,908,100	10.1
United States	160,472,000	147,795,000	12,947,000	8.1

Note: Data is not seasonally adjusted.

<sup>(1)</sup> Annual averages, unless otherwise specified.

<sup>(2)</sup> Includes persons involved in labor-management trade disputes.

<sup>(3)</sup> 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. 2020 Benchmark.

Listed below are the major employers in the City.

**CITY OF FONTANA - MAJOR EMPLOYERS – 2020**

<i>Employer</i>	<i>Number of Employees</i>
Kaiser Hospital & Med. Group	6,248
Fontana Unified School District	5,898
Amazon.com Services LLC	3,008
City of Fontana (includes part-time employees)	995
Estes West	352
Water of Life Community Church	300
Saia Motor Freight Line LLC	289
Schlosser Forge Company	287
Walmart Store #1756	286
Costco Wholesale #627	275
Crown Technical Systems	275

Source: City of Fontana Fiscal Year Ending June 30, 2020 Comprehensive Annual Financial Report.

Listed below are the major employers in the County.

**PRINCIPAL EMPLOYERS  
San Bernardino County  
Fiscal Year 2019-20<sup>(2)</sup>**

<i>Rank</i>	<i>Name of Business</i>	<i>No. of San Bernardino County Employees<sup>(1)</sup></i>	<i>Percentage of Total Employment</i>
1	County of San Bernardino	>10,000	1.31%
2	Amazon	>10,000	1.31
3	Loma Linda University Medical Center	>10,000	1.31
4	Kaiser Permanente	>10,000	1.31
5	State of California	>10,000	1.31
6	Wal-Mart	5,000-9,999	0.66-1.31
7	United Parcel Service	5,000-9,999	0.66-1.31
8	Stater Bros. Market	5,000-9,999	0.66-1.31
9	Federal Express	2,500-4,999	0.33-0.66
10	San Maneul Tribe & Casino	2,500-4,999	0.33-0.66

<sup>(1)</sup> Data represents estimated number of employees.

<sup>(2)</sup> Due to the confidentiality of reporting number of employees, ranges have been provided.

Source: San Bernardino County Comprehensive Annual Report for the year ending June 30, 2020.

The table below summarizes employment by industry in the County from 2016 to 2020. Service Providing, Educational and Health Services and Government are the largest employment sectors in the County.

**SAN BERNARDINO COUNTY**  
**Annual Average Industry Employment 2016-2020**

	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
Total Farm	1,900	2,200	2,200	2,500	2,000
Total Nonfarm	725,200	748,800	770,500	798,500	776,700
Goods Producing	90,700	92,100	95,100	95,200	91,100
Mining and Logging	600	600	800	700	900
Construction	33,800	35,200	37,800	39,000	38,400
Manufacturing	56,300	56,300	56,600	55,400	51,900
Service Providing	634,500	656,700	675,400	703,300	685,600
Trade, Transportation and Utilities	193,500	206,600	216,000	224,800	231,200
Wholesale Trade	39,100	38,700	40,500	41,500	40,200
Retail Trade	87,400	88,200	88,300	87,000	82,000
Transportation, Warehousing and Utilities	67,000	79,600	87,100	96,300	109,000
Information	5,200	5,200	5,300	5,000	4,000
Financial Activities	23,800	22,400	21,700	23,400	22,900
Professional and Business Services	80,700	80,300	80,900	85,000	83,400
Educational and Health Services	114,100	119,700	124,500	135,000	136,300
Leisure and Hospitality	71,500	75,200	76,900	78,100	62,900
Other Services	22,800	22,800	23,000	22,900	20,100
Government	<u>122,900</u>	<u>124,600</u>	<u>127,100</u>	129,100	124,800
Total, All Industries	<u>727,100</u>	<u>750,900</u>	<u>772,700</u>	<u>801,800</u>	<u>778,700</u>

Note: The "Total, All Industries" data is not directly comparable to the employment data found herein.

Source: State of California, Employment Development Department, Labor Market Information Division, San Bernardino County Annual Average Labor Force and Industry Employment, March 2020 Benchmark.

### Tax Levy and Tax Collection

Below is a chart which indicates the tax levy and collection records for the City for Fiscal Years 2011 through 2020.

<i>Fiscal Year</i>	<i>Percent of Levy Collected</i>	<i>Total Tax Collections to Tax Levy to Date</i>
2011	96.70%	\$91,393,702
2012	36.93 <sup>(1)</sup>	34,465,021
2013	50.76 <sup>(1)</sup>	47,985,784
2014	47.39 <sup>(1)</sup>	45,980,226
2015	44.90 <sup>(1)</sup>	47,694,338
2016	43.35 <sup>(1)</sup>	48,471,707
2017	44.35 <sup>(1)</sup>	52,046,433
2018	43.84 <sup>(1)</sup>	54,606,892
2019	46.47 <sup>(1)</sup>	65,091,616
2020	48.58 <sup>(1)</sup>	73,672,999

<sup>(1)</sup> Due to the dissolution of the former redevelopment agency, the property taxes collected in the former project areas is no longer remitted to the agencies. Assembly Bill 1X26 provides that revenues will only be allocated to make payments on the indebtedness; all remaining collections will be distributed to the other taxing entities based on the tax sharing formula.

Source: City of Fontana Fiscal Year Ending June 30, 2020 Comprehensive Annual Financial Report.

## Largest Taxpayers

The principal property taxpayers in the City for 2020 are as follows:

<i><b>Taxpayer</b></i>	<i><b>2020 Assessed Valuation</b></i>	<i><b>% of Total Assessed Valuation</b></i>
Duke Realty LP	\$ 142,552,795	0.67%
San Gabriel Valley Water Company	137,264,772	0.65
Vintage Park East LLC	131,420,454	0.62
Target Corporation	119,369,115	0.56
Sierra Lakes Commerce LLC	109,023,747	0.52
Citrus Avenue LLC	101,427,188	0.48
Prologis USLV Newca 1 LLC	91,618,153	0.43
Francisco Street LP	91,279,694	0.43
Intex Properties Inland Empire Corp	87,030,328	0.41
DCT Jurupa Ranch LLC	<u>83,728,342</u>	<u>0.40</u>
TOTAL:	\$1,094,714,588	5.17%

Source: City of Fontana Fiscal Year Ending June 30, 2020 Comprehensive Annual Financial Report.

## Construction Trends

Below is a table indicating residential and non-residential building permits valuations for the City.

### CITY OF FONTANA BUILDING PERMITS AND VALUATION 2016-2020 (in thousands of dollars)

<i><b>Type</b></i>	<i><b>2016</b></i>	<i><b>2017</b></i>	<i><b>2018</b></i>	<i><b>2019</b></i>	<i><b>2020</b></i>
<u>Valuation (\$000's)</u>					
Residential:	\$ 129,741	\$ 157,429	\$ 145,610	\$ 241,481	\$ 311,547
Non-Residential:	<u>228,059</u>	<u>131,572</u>	<u>197,379</u>	<u>290,767</u>	<u>149,761</u>
Total Valuation:	\$ 357,800	\$ 289,001	\$ 342,989	\$ 532,248	\$ 461,308

#### New Housing Units:

Single Family	439	600	413	642	848
Multi Family	<u>33</u>	<u>69</u>	<u>85</u>	<u>202</u>	<u>234</u>
Total Units:	472	669	498	844	898

Note: Totals may not add to sums because of independent rounding.

Source: Construction Industry Research Board.

## Taxable Sales

The table below presents taxable sales for the years 2016 through 2020 for the City.

### TAXABLE SALES City of Fontana



**2016 through 2020**  
**(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>
2016	3,946	\$2,370,462	5,455	\$3,169,604
2017	3,955	2,507,859	5,495	3,380,666
2018	3,944	2,650,007	5,597	3,596,722
2019	4,101	2,688,821	5,870	3,698,999
2020	4,467	2,752,323	6,543	3,615,021

<sup>(1)</sup> Beginning in 2016, the outlet counts in these reports show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2016 are not comparable to that of prior years.

Source: Taxable Sales in California, California Department of Tax and Fee Administration for 2016-2020.

The table below presents taxable sales for the years 2016 through 2020 for the County.

**TAXABLE SALES**  
**San Bernardino County**  
**2016 through 2020**  
**(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>
2016 <sup>(1)</sup>	38,370	\$24,477,003	57,629	\$37,216,551
2017	39,067	25,603,171	58,956	38,399,373
2018	39,837	26,905,784	61,838	40,554,024
2019	40,964	27,564,216	64,771	41,770,308
2020	44,330	28,518,285	71,145	42,884,767

<sup>(1)</sup> Beginning in 2015, the outlet counts in these reports show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 are not comparable to that of prior years.

Source: Taxable Sales in California, California Department of Tax and Fee Administration for 2016-2020.

## Per Capital 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 2020.

### PERSONAL INCOME City of Fontana, County of San Bernardino, State of California, and United States 2015-2020

<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	76,919,474	2,172,930,000	15,717,140,000
2016	4,013,591	80,401,688	2,273,557,000	16,151,881,000
2017	4,159,001	83,401,792	2,383,130,000	16,937,582,000
2018	4,444,518	86,995,697	2,514,503,000	17,839,255,000
2019	n/a	91,658,300	2,632,280,000	18,542,262,000
2020	n/a	n/a	2,814,011,000	19,679,715,000

Note: Dollars in Thousands.

Source: U.S. Department of Commerce, Bureau of Economic Analysis and City of Fontana Comprehensive Annual Financial Report for the year ending June 30, 2020.

### PER CAPITA PERSONAL INCOME<sup>(1)</sup> City of Fontana, County of San Bernardino, State of California, and United States 2015-2020

<i>Year</i>	<i>City of Fontana</i>	<i>County of San Bernardino</i>	<i>California</i>	<i>United States</i>
2015	19,400	36,361	55,853	49,003
2016	19,122	37,713	58,074	49,995
2017	19,545	38,774	60,581	52,096
2018	20,965	40,150	63,759	54,581
2019	n/a	42,043	66,745	56,474
2020	n/a	n/a	71,480	59,729

<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, 2020, Bureau of Economic Analysis for County, State and U.S.

## 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**

**FORM OF DISTRICT CONTINUING DISCLOSURE AGREEMENT**

[TO COME FROM BOND COUNSEL]

## APPENDIX G

### 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.

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**THIRD AMENDMENT TO  
ACQUISITION AND FUNDING AGREEMENT**

**by and among**

**CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 31  
(CITRUS HEIGHTS NORTH)**

**and**

**CITY OF FONTANA**

**and**

**SC FONTANA DEVELOPMENT COMPANY, LLC**

**Dated as of \_\_\_\_\_ 1, 2021**

**City of Fontana  
Community Facilities District No. 31  
(Citrus Heights North)  
Special Tax Bonds**

**THIRD AMENDMENT TO  
ACQUISITION AND FUNDING AGREEMENT**

**THIS THIRD AMENDMENT TO ACQUISITION AND FUNDING AGREEMENT** (this “Third Amendment”), dated as of \_\_\_\_\_ 1, 2021, is by and among the CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH), a community facilities district organized and existing under the laws of the State of California (the “Community Facilities District”), the CITY OF FONTANA, a general law city organized and existing under the laws of the State of California (the “City”), and SC FONTANA DEVELOPMENT COMPANY, LLC, a limited liability company organized and existing under the laws of the State of Delaware (formerly organized as and converted from SC Fontana Development Corporation, a corporation organized and existing under the laws of the State of California) (the “Developer”).

**WITNESSETH:**

**WHEREAS**, the City Council (the “City Council”) of the City (the “City Council”) has, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (the “Act”), established the Community Facilities District;

**WHEREAS**, pursuant to the Act, the proceedings of the City Council and an election held within the Community Facilities District, the Community Facilities District is authorized to issue special tax bonds (the “Bonds”) secured by a special taxes (the “Special Taxes”) levied within the Community Facilities District to finance certain public facilities;

**WHEREAS**, pursuant to the Acquisition and Funding Agreement, dated as of October 1, 2005, by and among the Community Facilities District, the City and SC Fontana Development Corporation, as amended by the First Amendment to Acquisition and Funding Agreement, dated as of December 1, 2006, by and among the Community Facilities District, the City and SC Fontana Development Corporation, and the Second Amendment to Acquisition and Funding Agreement, dated as of June 1, 2018, by and among the Community Facilities District, the City and the Developer (as so amended, the “Second Amended Acquisition and Funding Agreement”), the Developer agreed to construct, or cause to be constructed, certain facilities described in the Second Amended Acquisition and Funding Agreement (the “Facilities”), and the Communities Facilities District agreed to purchase the Facilities from the Developer with proceeds of the Bonds;

**WHEREAS**, the Second Amended Acquisition Agreement provides that the Second Amended Acquisition Agreement may be amended by an instrument in writing executed and delivered by the Community Facilities District, the City and the Developer; and

**WHEREAS**, the Community Facilities District, the City and the Developer now desire to enter into this Third Amendment in order to make certain amendments to the Second Amended Acquisition and Funding Agreement;

**NOW, THEREFORE**, for and in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

**Section 1.1. Amendment to Exhibit A.** Exhibit A of the Second Amended Acquisition and Funding Agreement is hereby amended to read in full as set forth in Exhibit A hereto.

**Section 1.2. Effect of Third Amendment.** This Third Amendment and all of the terms and provisions herein contained shall form part of the Second Amended Acquisition and Funding Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Second Amended Acquisition and Funding Agreement. The Second Amended Acquisition and Funding Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as heretofore amended, and as amended hereby. If there shall be any conflict between the terms of this Third Amendment and the terms of the Second Amended Acquisition and Funding Agreement (as in effect on the day prior to the effective date of this Third Amendment), the terms of this Third Amendment shall prevail.

**Section 1.3. Counterparts.** This Third Amendment may be executed in counterparts, each of which shall be deemed an original.

**Section 1.4. Effective Date.** This Third Amendment shall be effective as of \_\_\_\_\_, 2021.

**IN WITNESS WHEREOF,** the parties hereto have executed this Third Amendment as of the day and year first hereinabove written.

**CITY OF FONTANA COMMUNITY  
FACILITIES DISTRICT NO. 31  
(CITRUS HEIGHTS NORTH)**

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

**CITY OF FONTANA**

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

**SC FONTANA DEVELOPMENT  
COMPANY, LLC, a Delaware limited  
liability company**

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



## EXHIBIT A

### FACILITIES

<u>Component</u>	<u>Segment</u>	<u>Acquisition Cost</u>
<b>1. Lytle Creek Road (Summit to Casa Grande)</b>	a. Sewer	\$ 411,950
	b. Storm drain	985,600
	c. Street improvements (including right-of-way acquisition)	893,200
	d. Final asphalt cap and lift	92,400
	e. Landscaping (excluding PA5 frontage)	431,200
<b>2. Summit Avenue (Lytle Creek to Citrus)</b>	a. Sewer	659,120
	b. Storm drain (Lytle Creek to Parkside)	2,002,000
	c. Storm drain (Parkside to Citrus)	1,602,000
	d. Street improvements (including right-of-way acquisition)	1,852,320
	e. Final asphalt cap and lift	154,000
	f. Traffic signal @ Knox	355,740
	g. Dry Utilities	693,000
	h. Landscaping & median (excluding PA5&6 & PA12 frontage)	1,309,000
<b>3. Knox Avenue (Summit to Citrus)</b>	a. Sewer	485,100
	b. Storm Drain	1,447,600
	c. Street improvements (including right-of-way acquisition)	1,201,200
	d. Final asphalt cap and lift	225,600
	e. Landscaping (eastside from Summit to Northern edge of PA9)	585,000
	f. Landscaping (north edge of PA9 to Citrus)	1,868,000
<b>4. Citrus Avenue (Summit to northern boundary of PA3)</b>	a. Sewer	1,001,000
	b. Storm drain	1,889,580
	c. Street improvements (including right-of-way acquisition)	2,233,000
	d. Final asphalt cap and lift	843,500
	e. Traffic signal @ Knox	628,000
	f. Landscaping including median (Summit to Knox, excluding PA12)	1,062,600
	g. Landscaping including median (Knox to northern boundary of PA3)	956,000

**5. Knox Avenue (Citrus to 1300' East of Citrus)**

a. Sewer	255,000
b. Storm drain	600,000
c. Street improvements (including right-of-way acquisition)	817,820
d. Final asphalt cap and lift	75,000

**6. Traffic Signals**

a. Traffic Signal at Citrus Avenue/Duncan Canyon Road Intersection	584,250
b. Traffic Signal at Arboretum Avenue/Duncan Canyon Road Intersection	584,250
c. Traffic Signal at Cypress Avenue/Duncan Canyon Road Intersection	584,250
d. Traffic Signal at Sierra Avenue/Duncan Canyon Road Intersection	584,250
e. Traffic Signal at Cypress Avenue/Casa Grande Intersection	584,250

# UPDATED APPRAISAL REPORT

## CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 31 PLANNING AREAS 13, 14, 16 & 17 (CITRUS HEIGHTS NORTH)

City of Fontana, San Bernardino County, California  
(Appraisers' File No. 2021-1246)



**Prepared For**  
City of Fontana  
8353 Sierra Avenue  
Fontana, CA 92335

**Prepared By**  
Kitty Siino & Associates, Inc.  
115 East Second Street, Suite 100  
Tustin, California 92780

**KITTY SIINO & ASSOCIATES, INC.**  
**REAL ESTATE APPRAISERS & CONSULTANTS**

September 7, 2021

Lisa Strong, Management Services Director  
**City of Fontana**  
8353 Sierra Avenue  
Fontana, CA 92335

Reference: Updated Appraisal Report  
City of Fontana  
Portion of Community Facilities District No. 31 Citrus Heights North  
(Shady Trails)  
West Side of Citrus Avenue at Knox Avenue, Fontana

Dear Ms. Strong:

At the request and authorization of the City of Fontana, we have completed an updated Appraisal Report for a portion of The City of Fontana Community Facilities District No. 31 – Citrus Heights North ("Fontana CFD No. 31"). The entire Fontana CFD No. 31 includes twelve neighborhoods totaling 1,011 proposed residential units. We completed an appraisal dated July 12, 2021 with a date of value of June 15, 2021 for the final 392 proposed units within Shady Trails. This update is needed due to the time elapse and the changes which have occurred within the subject 392 lots. Additionally, at the request of the client, we are reporting the assessed value for the previously developed 619 units. The reporting of the assessed value is not to be misconstrued as an appraisal of the 619 units. The updated appraisal consists of the final four residential neighborhoods currently under development within the master planned community previously known as Citrus Heights North and now known as Shady Trails. The four neighborhoods which are the subject of this appraisal report include Wisteria by Richmond American Homes (102 units), Aspen Court by Taylor Morrison (60 units), Juniper by PLC Communities (91 units) and Birch Bend by TriPointe Homes (139 units). It should be noted that this updated appraisal is for only this portion of Fontana CFD No. 31.

Out of the 392 proposed units within the appraisal, 10 homes have closed to individual homeowners with another 69 are either in escrow or pending sales which are due to close upon completion. The builder-owned property ranges from model homes and production homes over 95 percent complete to homes under construction to generally finished lots and or pads. All four communities are actively open for sale.

The valuation methods used in this report are the Sales Comparison Approach and a Discounted Cash Flow Analysis as defined within this report. The fee simple estate of the subject property has been valued subject to the Fontana CFD No. 31 special tax lien. This report is written with the special assumption 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. 31. As a result of our investigation, the concluded minimum market value for the subject property is shown below.

Lisa Strong  
City of Fontana  
September 7, 2021  
Page Two

		<b><u>Builder Owned</u></b>	<b><u>Individual Owned</u></b>
<b><u>Wisteria</u></b>			
Individual Homeowners (10 Houses)			<u>\$ 6,132,760</u>
Richmond American (13 Houses)	\$ 6,085,519		
Richmond American (89 Lots)	<u>\$13,424,162</u>		
Subtotal Richmond American		\$19,509,681	
<b><u>Aspen Court</u></b>			
Taylor Morrison (12 Houses)	\$ 4,907,967		
Taylor Morrison (48 Lots)	<u>\$ 7,017,200</u>		
Subtotal Taylor Morrison		\$11,925,167	
<b><u>Juniper</u></b>			
PLC (4 Houses)	\$ 1,606,961		
PLC (87 Lots)	<u>\$12,323,406</u>		
Subtotal PLC		\$13,930,367	
<b><u>Birch Bend</u></b>			
TriPointe (5 Houses)	\$ 1,925,017		
TriPointe (134 Lots)	<u>\$16,658,130</u>		
Subtotal TriPointe		<u>\$18,583,147</u>	
<b>Subtotal</b>		<b><u>\$63,948,362</u></b>	<b><u>\$ 6,132,760</u></b>

**AGGREGATE TOTAL PLANNING AREAS 13, 14, 16 AND 17**

**\$70,081,122**

The values are stated subject to the Assumptions and Limiting Conditions of this report, the Appraiser's Certification and as of August 1, 2021.

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.

Lisa Strong  
City of Fontana  
September 7, 2021  
Page Three

**Reporting of Assessed Value of 619 Developed Lots**

At the request of the client, we are including a reporting of the 2021/22 Assessed Value (most recent available) for the 619 previously developed lots within Fontana CFD 31. We have reviewed re-sales of the assessed properties. A listing of the Assessed Value is located in the Addenda of this report. The 2021/2022 Assessed Value for the 619 Developed Parcels within Fontana CFD No. 31 is:

**\$286,227,170**

**This reporting of Assessed Value is not to be misconstrued as an Appraised Value.**

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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Kitty S. Siino, MAI  
California State Certified General  
Real Estate Appraiser (AG004793)

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### **ADDENDA**

- Fontana CFD No. 31 Boundary Map
- Tract Map Nos. 17039, 17039-1 and 17041
- Discounted Cash Flow Analyses
- Finished Lot Land Sales Maps and Summary Charts
- Improved Residential Sales Maps and Summary Charts
- 2021/22 Assessor's Roll for Developed 619 Units
- 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. 31.
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. 31 special tax bonds

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#### **HYPOTHETICAL CONDITION**

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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. 31 Special Tax Bond proceeds are completed and in place.

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#### **EXTRAORDINARY ASSUMPTION**

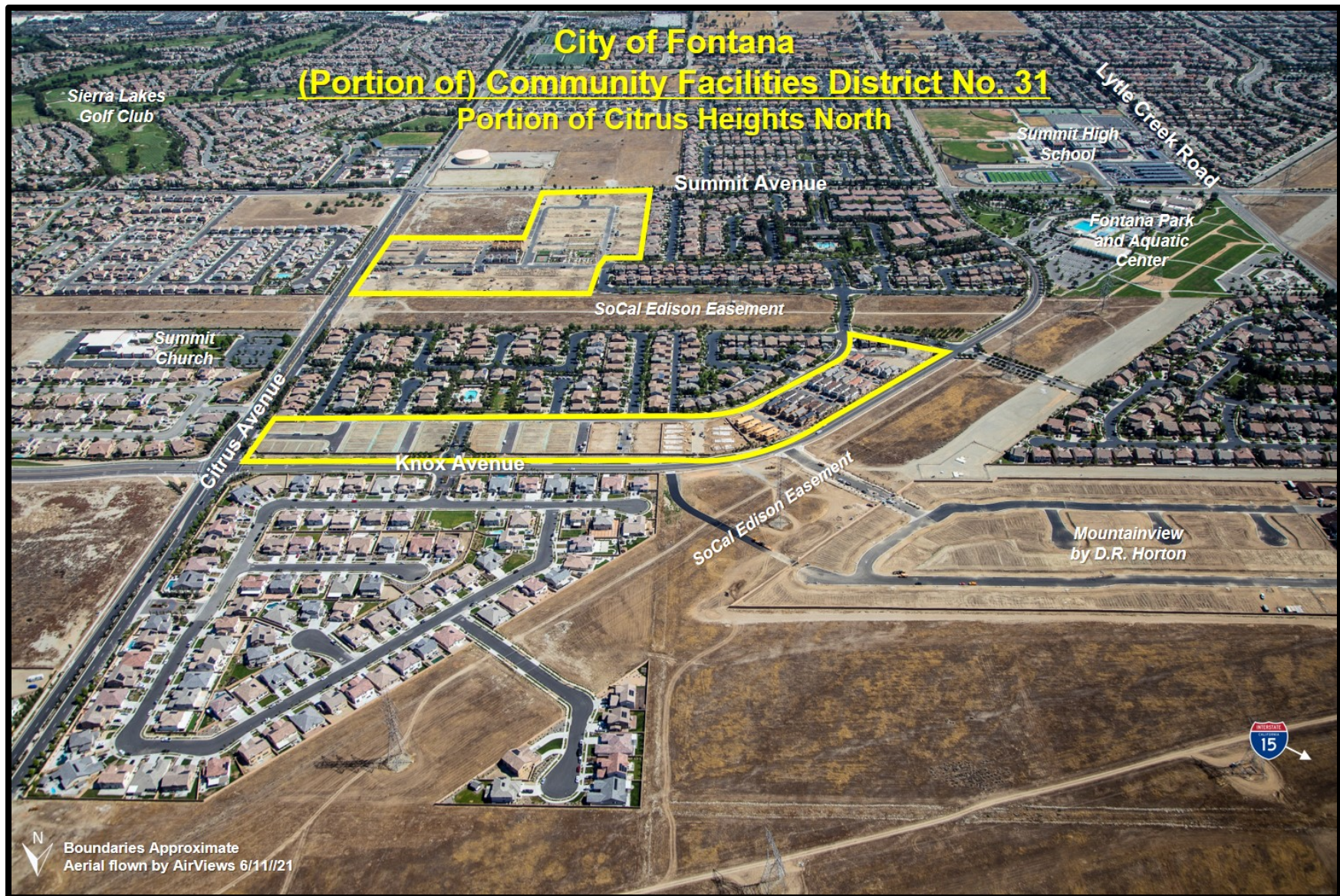
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1. It is assumed that the sales information and remaining development costs as reported by the builder and summarized in the report are correct. We have not reviewed escrow documents; however, per our review the escrow prices as reported by the builder appear to be reasonable. While we have reviewed the costs and they appear reasonable, we are not experts in the field of construction cost estimation and are relying on the costs received in the valuation analysis. If the actual land development costs differ, the final values may change

**City of Fontana**  
**Community Facilities District No. 31 (Citrus Heights North)**  
*(Shaded Portion = Appraised Properties)*









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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. 31 Special Tax Bonds.

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## **THE SUBJECT PROPERTY**

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The subject property consists of 392 proposed residential units being developed into a portion of the master planned community known as Shady Trails in the City of Fontana ("City"). Shady Trails wraps around the northwest corner of Summit and Citrus Avenues in the City of Fontana and is being developed into four communities known as: Wisteria by Richmond American homes ("Richmond American"); Aspen Court by Taylor Morrison; Juniper by PLC Communities; and Birch Bend by TriPointe Homes ("TriPointe"). The master plan was developed by SC Fontana Development Company LLC. The products range from detached homes on small lots to attached row townhomes in various configurations ranging from conventional street load small lots to motor court to alley load. The subject features proposed homes sized from 1,311 square feet to 2,440 square feet. The four communities are encompassed by three tract maps. Tract Map Nos. 17039 and 17039-1 both cover Wisteria and subdivide the tracts into a total of 10 lots on which condominium plans are being recorded per the approved site plan for 102 units. Tract Map No. 17041 subdivides the remainder of the subject property into four large lots: Lot 1 (Birch Bend by TriPointe), Lot 2 (Aspen Court by Taylor Morrison), Lot 3 (Juniper by PLC Communities), and Lot 4 which consists of a community park (not included in this appraisal). Corresponding condominium plans and site plans will be recorded on Lots 1, 2 and 3 of Tract 17041 creating detached condo pads and condominium units. The ownership and condition of the lands are detailed in the chart on the following page.

Description	No. Lots	Ownership	Condition/Status
<b>Wisteria by Richmond American (Tract 17039 and 17039-1; PA 13 and 14)</b>			
Units 11-20 of Tract 17039-1	10	Individuals	Completed Homes
Units 5-7 of Tract 17039-1	3	Richmond American	Model Homes (not released)
Units 21-30 of Tract 17039-1	10	Richmond American	Over 95% Complete (all in escrow)
Units of 31-61 Tract 17039-1	31	Richmond American	Homes under const (all in escrow)
Units 1-41 of Tract 17039 and Units 1-4 and 8-10 of Tract 17039-1	48	Richmond American	Finished Lots (5 in escrow)
<b>Total Wisteria</b>	<b>102</b>		
<b>Aspen Court by Taylor Morrison (Tract 17041 Lot 2; Portion of PA 17)</b>			
Units 1-4 of Lot 2 Tract 17041	4	Taylor Morrison	Model Homes (not released)
Units 29-32 and 43-46 of Lot 2 of Tract 17041	8	Taylor Morrison	Over 95% Complete (7 in escrow)
Units 33-38 and 47-56 of Lot 2 of Tract 17041	16	Taylor Morrison	Homes under const (2 in escrow)
Units 5-28, 39-42 and 57-60 of Lot 2 Tract 17041	32	Taylor Morrison	Finished Pads (not released)
<b>Total Aspen Court</b>	<b>60</b>		
<b>Juniper by PLC Communities (Tract 17041 Lot 3; Portion of PA 17)</b>			
Units 16-19 of Lot 3 Tract 17041	4	PLC	Model Homes
Units 7-15 of Lot 3 Tract 17041	9	PLC	Homes under const (all sold)
Units 1-6 and 20-91 of Lot 3 Tract 17041	78	PLC	Finished Pads (not released)
<b>Total Juniper</b>	<b>91</b>		
<b>Birch Bend by TriPointe Homes (Tract 17041 Lot 1; PA 16)</b>			
Units 1-5 Lot 1 of Tract 17041	5	TriPointe	Model Homes
Units 11-20 and 82-93 Lot 1 of Tract 17041	22	TriPointe	Homes under const (5 escrow)
Units 6-10, 21-81 and 94- 139 of Lot 1 Tract 17041	112	TriPointe	Finished Pads (not released)
<b>Total Birch Bend</b>	<b>139</b>		
<b>Total Subject Properties</b>	<b>392</b>		

## INTENDED USE OF THE REPORT

It is the appraiser's understanding that the client, the City of Fontana, will utilize this Updated Appraisal Report in disclosure documents related to the sale of the Fontana CFD No. 31 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.

## DEFINITIONS

### **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 each builder-owned property, in a bulk sale, is less than one year.

### **Finished Lot**

The term "Finished Lot" is defined as:

*"A parcel which has legal entitlements created by a recorded subdivision map, whose physical characteristics are a fine graded level pad per lot with infrastructure contiguous to each individual lot, 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."*

### **Finished Pad**

The term "Finished Pad" is defined as:

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<sup>1</sup> The Appraisal of Real Estate, 13<sup>th</sup> Edition

*“A parcel which has legal entitlements created by a condominium map, whose physical characteristics are a fine graded level pad per unit with infrastructure contiguous to each proposed unit, 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 escrows. In addition, we have determined the actual range of escrow prices for each plan type which will be utilized in the valuation process.

### **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”*

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. 31.

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<sup>2</sup> USPAP 2018-2019 Edition



## **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 the builders are true and accurate. We have not reviewed actual escrow documents on the escrows of the new homes. We have reviewed each escrow as reported by the builder and the escrow prices appear reasonable. In addition, we have reviewed the remaining land development costs provided by each builder 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 land development costs differ, it may change the value conclusions.

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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. 31. 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 August 1, 2021.

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## **DATE OF REPORT**

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The date of this report is September 7, 2021.

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<sup>3</sup> The Appraisal of Real Estate, 13<sup>th</sup> Edition

## SCOPE OF APPRAISAL

As previously stated, the purpose of this appraisal is to report the appraiser's best estimate of the market value for the subject property which includes a portion of Fontana CFD No. 31, which is now known as the master planned community of Shady Trails. The entire Fontana CFD No. 31 includes 1,011 proposed homes, 619 of which were previously developed. These 619 homes are not included in this appraisal report. However, we have included a reporting of their assessed value (not to be misconstrued as an appraised value) at the request of the client. The subject property consists of the communities of Wisteria by Richmond American, Aspen Court by Taylor Morrison, Juniper by PLC Communities and Birch Bend by TriPointe. There are a total of 392 proposed homes within these four communities which encompass the subject property. This appraisal will be presented in the following format:

- County of San Bernardino Description
- City of Fontana Description
- Specific Plan/Immediate Surroundings Description
- Brief Description of Fontana CFD No. 31
- Subject Property Descriptions
- Inland Empire Residential Market Analysis
- Highest and Best Use Analysis
- Valuation Procedure, Analysis and Conclusion
- Appraisal Report Summary
- Review of Re-sales of 619 Assessed Value Properties

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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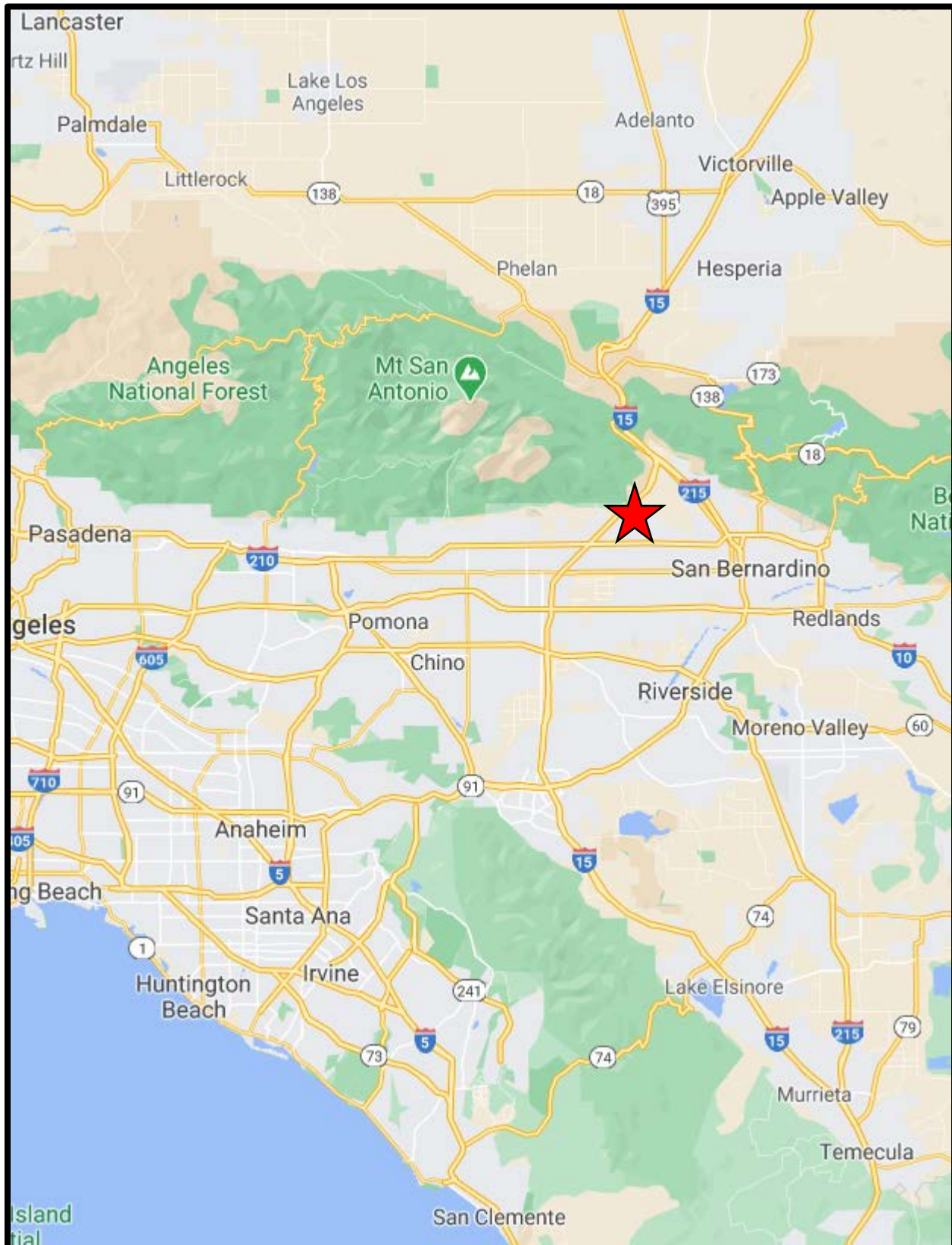
<sup>4</sup> Dictionary of Real Estate Appraisal, Fourth Edition, 2002

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 escrows.

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 properties between July 15 and August 15, 2021.
4. Had the site flown by an aerial photographer on June 11, 2021.
5. Interviewed representatives from the various builders, developers, and their consultants in order to obtain project information.
6. Reviewed the Citrus Heights North Specific Plan.
7. Reviewed preliminary title reports on the subject property.
8. 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.
9. Searched the area for relevant comparable new home residential projects, including sales prices and concessions and interviewed representatives from each comparable project.
10. Reviewed the sales brochures and websites for the subject neighborhoods.
11. Reviewed developer sales information on each home sale within each neighborhood
12. Reviewed the 2021/22 San Bernardino County Assessor's Roll for the 619 previously developed units.
13. Reviewed the MLS for re-sales within the 619 previously developed units.

## 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 northern portion of the City of Fontana. More specifically, Shady Trails is located about one- and one-quarter miles north of Interstate 210 ("I-210"), and three-quarter miles east of Interstate 15 ("I-15").

San Bernardino County (the "County") is the largest county in the United States by area containing over 20,100 square miles that 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 about one- and one-quarter miles north of I-210, between I-15 (three-quarter miles west of the subject) and Interstate 215 ("I-215") (approximately seven and one-half miles east of the subject), and approximately six miles north of Interstate 10 ("I-10"). The I-15 is the nearest interstate providing access to the subject via the Summit Avenue or Duncan Canyon Road on/off ramps. 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 just over

three 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 10 miles southwest of the subject property. San Bernardino International Airport is located approximately 12 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, 2021 County population was 2.1759 million. This represents no significant change from the January 2020 estimate of 2.1754 million. This compares to an average annual growth rate over the past 20 years of 2.1 percent. Current State of California projections for San Bernardino County suggest the population is anticipated to reach approximately 2.395 million by 2030, indicating an average annual increase of approximately 0.95 percent over the next ten years. The essential no growth over the past year relates to the previous 20-year annual average growth of 2.1 percent with the difference due to significant growth prior to the Great recession and the past year's stagnant growth likely due to the Covid pandemic. The future growth is predicted assuming a more stable market than was seen prior to the Great Recession.

### **Economy**

Beginning February 20, 2020, the U.S. began experiencing an unprecedented economic disruption due to the COVID-19 pandemic. Original predictions were for deaths due to the virus overwhelming hospitals and staff. While the U.S. has lost over 600,000 lives due to COVID-19, except for a few exceptions, hospitals have, thus far, had the capacity to treat the patients. January 2021 was the deadliest month in the U.S.; however, cases then declined rapidly as vaccination rates rose. Unfortunately, this summer has brought a new

variant of the disease which is increasing rates once again; however, thus far, not to the extent of last winter with hospitalizations of vaccinated people way down. The Federal, State, County and City Governments ("Governments") originally shut down non-essential businesses and areas where social gatherings occur in March 2020 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 over 40 million people filing for unemployment in the first four months of the pandemic. This disruption originally caused extreme volatility in the stock market with an overall drop of 37 percent in March 2020 (based on the Dow Jones Industrial Average); however, as of August 11, 2021 it was showing an increase of 21.0 percent over the previous high in February 2020. The Federal Government has attempted to curtail the job losses and hardships with the approval of several stimulus packages. The first was the Coronavirus Aid, Relief and Economic Security (CARES) Act which was signed into law on March 27, 2020. The CARES Act appropriated over two-trillion dollars to people and businesses who were financially stunted by the COVID-19 pandemic. On April 9, 2020 the Federal Reserve took additional action to provide up to \$2.3 trillion in loans to support the economy and on April 23, 2020, Congress passed an additional \$484 billion in relief for small businesses and hospitals. Over the summer of 2020 some business openings occurred. However, in the fall and winter the pandemic surged and businesses shut down once again. In December 2020, the government passed an additional \$900 billion in stimulus that included jobless benefits and additional dollars for vaccine distribution. The new National Administration approved the America Rescue Plan in March which appropriates an additional \$1.9 trillion in help to our nation for vaccine distribution and more economic relief for the pandemic. It appears these stimuli totaling \$5.6 trillion are helping to shore up the economy. One worry at this time is inflation which appears to be increasing faster than anticipated; however, the Chairman of the Federal Reserve Board believes inflation is occurring due to the shock going through the system of the reopening of the economy and they believe the inflation is a temporary issue.

While some jobs have come back, job losses were huge with the Nation's unemployment rate going from 3.5 percent in February 2020 to 14.4 percent in April 2020 with the most recent June 2021 National unemployment rate at 6.1 percent. At the beginning of 2021, California was a hot spot with COVID cases surging and Southern California put under another stay-at-home order. However, since then the vaccine roll-out was quicker than anticipated and cases declined substantially. As of June 15, 2021 California opened to full capacity at most retail outlets including stadiums and large gathering places. In July the new Delta Variant of COVID began showing up on hot spots in the U.S. The Delta Variant appears to be more contagious than the COVID which began the pandemic. Once again hospital COVID cases are on the rise however most patients are unvaccinated. While the news in the past few months in the U.S. had been mostly positive, some European and Asian nations are having to close down once again as surges continue in other countries. On July 1, 2021 the Congressional Budget Office doubled their forecast for fiscal 2021 from 3.7 percent projected in February to 7.4 percent economic growth after the International Monetary Fund raised its projection for the GDP to grow 7 percent, up from their previous estimate of 6.4 percent. The new forecast by the CBO includes GDP growth projections of 3.1 percent in 2022 and 1.1 percent in 2023.

Prior to the COVID-19 pandemic, the nation was experiencing a generally strong economy. As with the rest of the nation, the Inland Empire experienced a strong multi-year recession, now referred to as the Great Recession, between 2006 and 2012. The MSA, which had strong employment over the ten previous years saw unemployment rates increase significantly between December 2006 and early 2010 at which time a leveling off occurred followed by continued employment growth (generally since July 2011) until the pandemic hit.

The unemployment rate for the MSA was estimated at 7.9 percent (as of June 2021, latest available per the Employment Development Department). This reflects a decrease from the peak during the Great Recession of 15.2 percent in 2010 and a decrease from the peak during COVID of 15.0 percent; however, a huge increase from February 2020's 3.9 percent, prior to the pandemic outbreak. As of June 2021, San Bernardino had a 8.0



percent unemployment rate while Riverside County had a 7.9 percent unemployment rate. The current unemployment rate for the MSA of 7.9 percent is similar to the California rate of 8.0 percent, and higher than the June 2021 National rate of 6.1 percent. Below is a table comparing San Bernardino County's unemployment rate to the unemployment rates of the surrounding counties as of June 2021.

<b><u>Jurisdiction</u></b>	<b><u>As of</u></b>	<b><u>Unemployment Rate*</u></b>
Los Angeles County	6/21	10.6%
Riverside County	6/21	7.9%
San Bernardino County	6/21	8.0%
Orange County	6/21	6.4%
San Diego County	6/21	7.0%

*Source: State of California E.D.D.; \*Not Seasonally Adjusted*

Over the past 25 years, the San Bernardino County 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 San Bernardino County housing market seeing an improvement beginning in mid-2012. While coastal Southern California housing enjoyed significant increases between 2012 and 2015, the Inland Empire bounced back slower with overall, San Bernardino County finally passing the previous median home price peak in early 2020 (prior to the pandemic). Contrary to homebuilder's original thoughts on 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. In addition, 2020 ended up with a significant increase in residential builder land purchases in the Inland Empire. While land purchases essentially stopped in February, March and April, beginning in May 2020 builders began looking for land and entering escrow on land purchases with residential land currently moving at a brisk pace. The exceptional activity in new home sales is thought to be due to several factors including historically low interest rates, millennials finally buying homes; and, the work from home factor which occurred during the pandemic which is allowing residents to live in more suburban areas without long commutes.

During the Great Recession, the Federal Government attempted to correct the struggling economy by implementing several economic stimulus packages. The Federal Reserve Board ("Board") kept interest rates below historical averages, dropping rates to near zero in December 2008 until December 2015, when they began raising interest rates until December 2018 when the ninth increase appeared to affect the economy with home sales slowing and stock market volatility. Since then, interest rates dropped three times until the Pandemic when the Board dropped the rate 50 basis points due to the stock market reaction to the COVID-19 pandemic and then again on March 16, 2020 when they dropped the rate another 100 basis points to the historical level of 0 - 0.25 percent. Since the March decreases, the Board has left rates unchanged. The Board had previously mentioned that rates could stay low until 2023, however most economists are estimating interest rates will begin to increase in late 2021. The Federal Interest Rate in the US averaged 5.69 percent from 1971 to 2019 reaching an all-time high of 20 percent in March 1980 and the previous low of .25 percent in December 2008. The current historically low rates have spurred home sales with the Inland Empire named as one of the tightest markets in the nation in October 2020. At the last meeting of the Federal Reserve Board on June 16<sup>th</sup> they elected to keep the rate at the 0-0.25 percent level.

The latest UCLA Anderson Forecast ("Forecast") was issued June 2, 2021 and is generally optimistic however acknowledges the historical reality that economic recoveries are never smooth. The June Forecast states the belief that both the U.S. and California will have robust recoveries. The National Forecast states that their June forecast is based on several assumptions including continuing to vaccinate the public, the number of COVID cases continuing to decline and a that a nearly full economic reopening will occur by early July. While infection rates dropped astronomically as the vaccine rolled out, they are currently increasing and due to these increases some indoor mask mandates are being put back in place. Based on the June Forecast for the Nation, they are forecasting a 7.1 percent growth in 2021 followed by a 5.0 percent growth in 2022 and a 2.1 percent growth in 2023. These rates are higher than the 2.3 percent average annual rate during the recovery from the Great Recession between 2010 and 2019. They expect the GDP

to surpass its 2019 peak by the end of the second quarter 2021 and to surpass the trend it was on prior to the pandemic in fourth quarter 2021.

The Forecast for California still is under the shadow of the COVID-19 pandemic. Several items are affecting the State including uncertainties over the national immigration policy, the potential for domestic out-migration, the future of remote work and the impact of California's comparatively stringent pandemic mitigation measures. As of the Forecast, California had the lowest infection rate in the nation but its 8.3 percent unemployment rate compared with the national 6.8 percent at that time raises the "at what cost" question. Job losses in California were concentrated in sectors where a high degree of human contact is important to the services provided such as leisure and hospitality, education, retail trade, health care and social services. These sectors accounted for 75 percent of all job losses in the state in 2020. They still expect that as the pandemic recedes, many of these jobs will return. The recovery will also be faster in residential construction, as California's shortage of housing relative to demand drives new construction. Per the California Forecast, California's unemployment rate for the second quarter of this year is expected to average 7.7 percent (currently 8.0 percent), with the anticipated average for 2021, 2022 and 2023 being 7.1 percent, 5.2 percent and 4.3 percent, respectively. In spite of the pandemic, the continued demand for a limited housing stock, coupled with low interest rates has led to a relatively rapid return of home building. They are forecasting 127,000 new housing units in California in 2021 growing to 134,000 new units in 2023.

According to John Husing's most recent Inland Empire Economic Report dated May 2021, the nation is currently in a state of rebuilding and regaining after the enormous difficulty inflicted on the economy by COVID-19. The pandemic downturn was severe and second only to the Great Depression; however, Husing states that the combination of US and state legislation efforts combined with the impact of vaccinations has created the opportunity for most of what was lost to be regained. Within the Inland Empire at the end of 2020, Husing notes that the economy was down an average of 65,600 jobs, but his 2021 forecast sees the Inland Empire recovering 62,400 of these jobs. This is a vast improvement of Husing's previous October estimate in which he predicted over 102,000

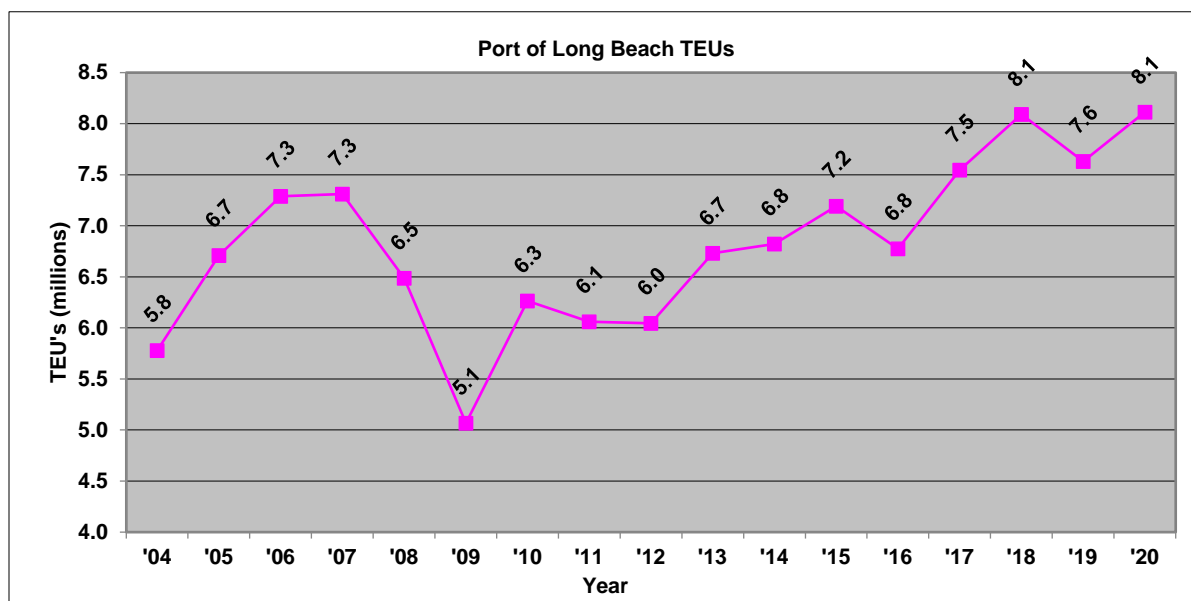
Inland Empire jobs to be lost in 2020. Assuming the 2021 gain will come in at his anticipated 62,300 job growth, the Inland Empire economy will land just 0.2% below its 2019 levels.

The major losing sectors in the Inland Empire have lost 55,200 jobs which include bars and restaurants, retail, hospitality, entertainment and consumer services. These sectors mainly represent the lower paying jobs, and represent 60.8% of all jobs lost in the Inland Empire in 2020 (John Husing Economic Report May 2021). Husing forecasts that the sectors to gain back the most jobs in 2021 are eating and drinking, retail trade and consumer services, logistics, travel and entertainment, social assistance, health care, construction, and education.

As mentioned in the UCLA California Forecast, one bright spot in the COVID economy has been sales of new homes. While existing homeowners were reluctant to put their houses on the market during COVID, new home sales in the Inland Empire have soared. The lowest interest rates in history appear to have brought the millennial generation to the new home market. In addition, the new work from home factor has made non-homeowners realize they can afford a house further outside of the economic areas and that it makes sense if they don't have to drive to the office each day. The need for home offices combined with the overall stress on social distancing, has pushed city dwellers out of denser urban areas into more suburban neighborhoods with more space. The minimal existing home inventory, coupled with these factors has put pressure on pricing with new homes prices in the Inland Empire increasing over 10 percent year-over-year. This will be discussed further in the Inland Empire Housing Market section later within this report.

As a final indicator of overall economic activity for the region we have reviewed the rise or 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 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 2019 downturn was believed to be due to the volatility of the government tariff situation and was anticipated to be corrected this year, however the COVID-19 pandemic weakened China exports and created some volatility. It appears that a correction finally came about in December with a 6.6 percent increase year over year. As of the second quarter 2021, TEU's were running over 38 percent above the previous year; however, it should be noted that March 2020 was when the COVID pandemic hit.



## **Education**

The subject area is served by the Fontana Unified School District ("FUSD"). The subject is assigned to Sierra Lakes Elementary School, Wayne Ruble Middle School, and Summit High School. The district operates 45 schools serving students from preschool through adult education. Community Colleges are available near the subject at Chaffey College in Rancho Cucamonga (six miles west), at Chaffey College's Fontana campus (four and one-half miles south of the subject in Fontana), and San Bernardino Community College (about 10 miles southeast). Higher education is available approximately eight miles to the northeast at California State at San Bernardino, about 14 miles southeast is University of California at Riverside, 15 miles west in the private Claremont Colleges area which

include Claremont McKenna College, Pitzer College, Harvey Mudd College, Pomona College and Scripps College, and 22 miles to the southwest at Cal Poly Pomona,

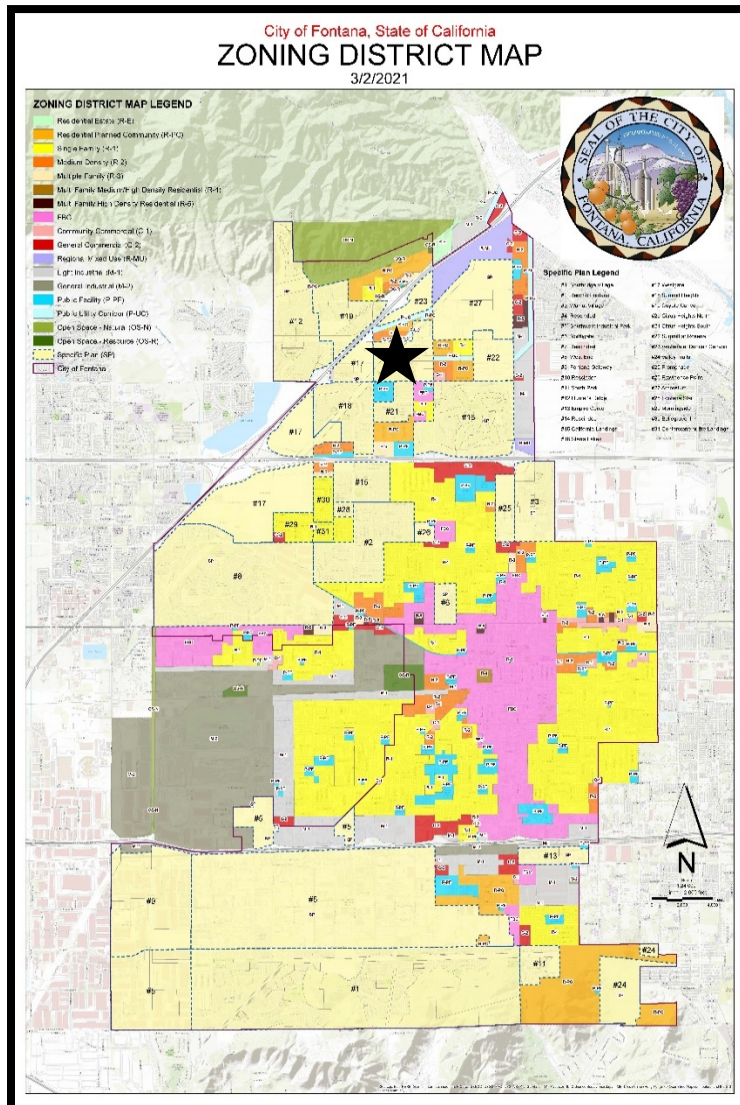
### **Conclusion**

Population in the County has increased over the past 30 years with predictions for continued population growth. The nation's economy stalled during the Great Recession due to the housing downturn, unemployment and the credit crisis. The housing market saw a resurgence beginning the second half of 2012 with sales and prices rising since then. The COVID-19 pandemic brought the economy to a halt in March 2020. Now, over a year later with the majority of the population vaccinated, the pandemic began to recede however a new Delta Variant has emerged. The one bright spot over the past year has been the new home market which has been extremely strong in the Inland Empire. The region's affordability coupled with the rising prices in the coastal market, the work from home factor and low interest rates along with the need for new housing set up for a potential boom in the Inland Empire. This appears to be occurring in part to residents leaving urban areas due to COVID-19 factors coupled with low interest rates. 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 Riverside Counties.

## CITY OF FONTANA DESCRIPTION

### General Area

The subject property is located in the northeastern portion 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. 31 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 (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 1954 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 Fontana was home to a drag racing strip which was a significant venue in the NHRA circuit. In 1997, Roger Penske built the Fontana Speedway, now known as the Auto Club Speedway which has become 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.

## **Population**

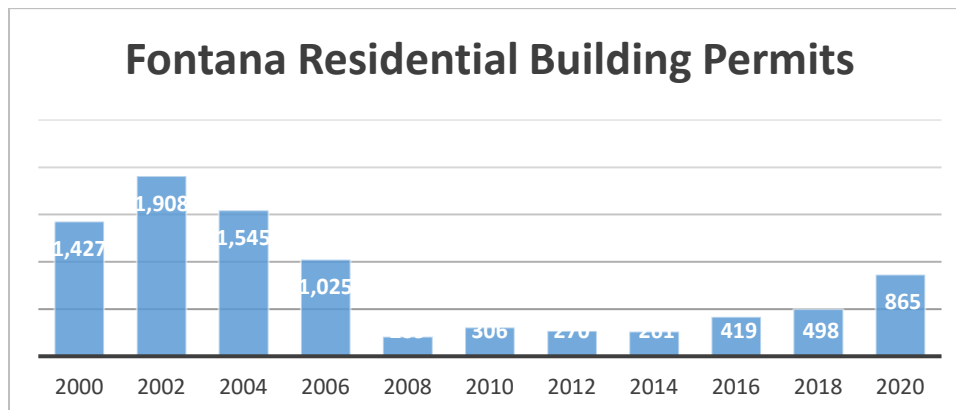
The January 2021 population of Fontana was 213,944, which represents an increase of 1.1 percent over the previous year. The 2000 population was 128,928, suggesting the population has increased 66 percent over the past 20 years or an average annual growth rate of 2.4 percent. The City's population represents 9.8 percent of the County population. The City has several new home communities currently under construction, especially in the northern portion of the City surrounding the subject property. Per the U.S. Census Bureau, the average household size in Fontana is 3.85 persons while in overall San Bernardino County the average household size is 3.3 persons. Over 75 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**

Per the Southern California Association of Governments (“SCAG”) 2019 Local Profiles (latest available), the City of Fontana has an estimated 52,251 housing units with a growth rate of 53.6 percent since the year 2000. This compares to the County’s housing growth rate of 21.9 percent during this time. This further illustrates Fontana’s growth spurt due to land available for development over the past 20 years. Fontana hosts 8.1 percent of the total number of households in the County. Below is a graph showing residential units permitted in Fontana between 2000 and 2020.



While the current numbers are not at pre-Great Recession numbers, they are the highest in the past 13 years. Per SCAG, 82.2 percent of the homes are single-family and 15 percent are multi-family units. Only 22 percent of the housing stock in the City was built before 1970 and 78 percent was built since that time. Per the City’s 2020 annual report, there are three residential projects in the planning stages: a 139-unit condominium project in Shady Trails (the subject’s Birch Bend community); a 96-unit single-family detached project in Providence Pointe; and, a 194-unit affordable residential project. This is in addition to 826 new single-family residential permits and 39 multi-family residential permits being issued in 2020. Per SCAG, the median home price in the City went from \$129,000 in 2000 to a peak of \$450,000 in 2006, a low of \$200,000 in 2009 with the 2019 median price estimated at \$410,000. Current new homes communities selling within Fontana include Gabion Ranch by Lennar with five neighborhoods, The Arboretum by Lennar with one neighborhood, Encore and Mountainview by D.R. Horton, both single

neighborhoods, El Paso by KB Home with one neighborhood, and the subject's Shady Trails with the four subject neighborhoods actively selling. Per Realtor.com there are currently 479 existing homes for sale within the City with the median listing price of \$530,000 and the median sold home price of \$570,000. Within the subject's zip code of 92336, there are currently 250 homes listed with the median listing home price is currently \$599,000 and the median sold home price is \$630,000. This is in-line with current resale trends across Southern California of homes selling for higher than their list price.

### **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 Summit Avenue, Citrus Avenue and Duncan Canyon Road.

### **Economy**

Existing commercial property within the City of Fontana is generally along the major thoroughfares including I-10, Route 66/Foothill Boulevard, Summit 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 Auto Club 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 2020 – latest available per City's website) include the following:

<u>Employer</u>	<u>No. of Employees</u>
Kaiser Hospital	6,248
Fontana Unified School District	5,898
Amazon	3,008
City of Fontana	995
Estes West	352
Water Life Church	300
Saia Motor Freight	289
Schlesser Forge	286
Walmart	286
Crown Technical Systems	275

### **Way of Life in Fontana**

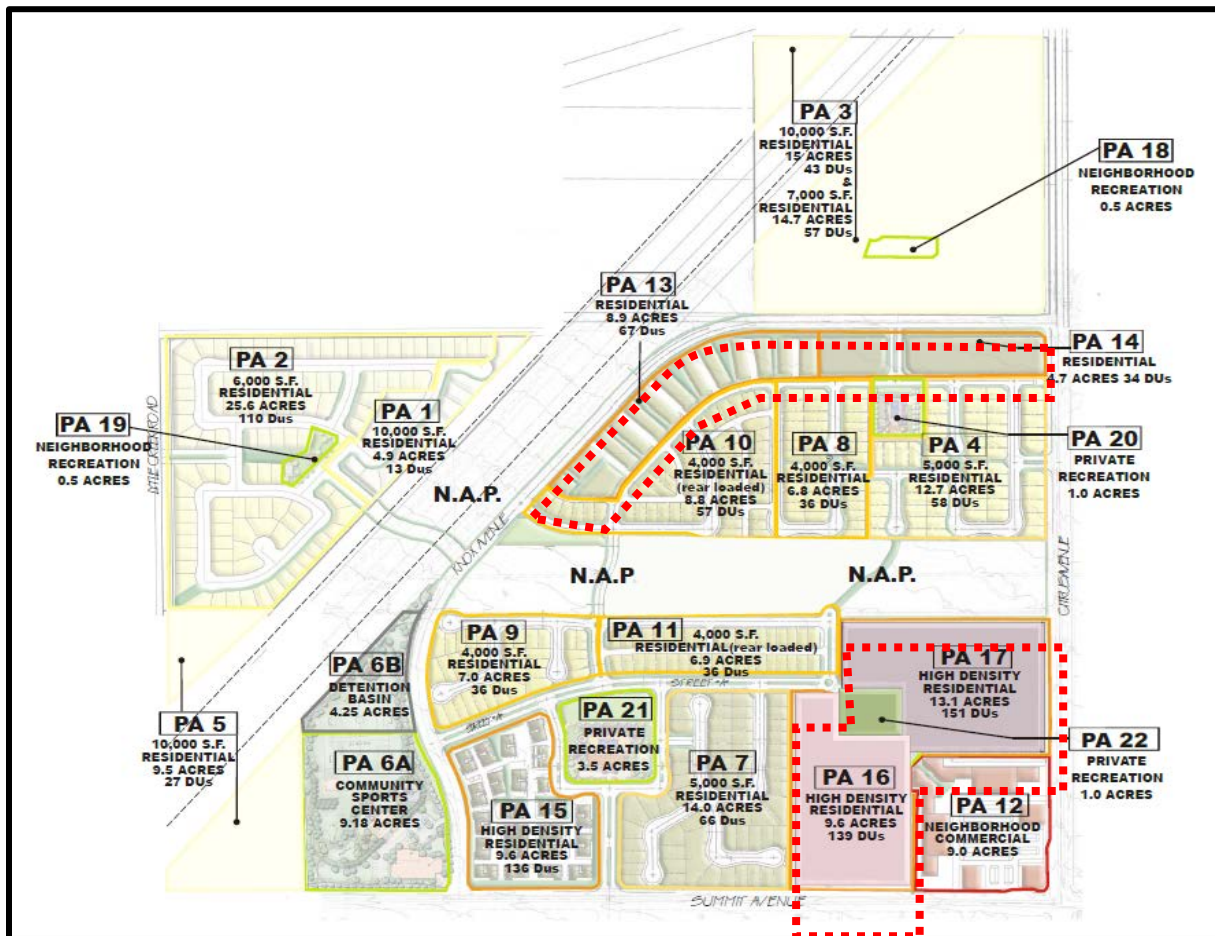
Fontana was named as one of the top 20 safest cities in the nation in 2014 and the second strongest City financially in 2017. The City is committed to encouraging health and wellness through programs like the Healthy Fontana initiative which promotes smart nutrition, active lifestyles and access to healthy, fresh, locally grown foods at the City's many farmer's markets. The Fontana Senior Center offers daily activities for seniors. The City is a general law community with an elected Mayor and four City Council Members. The City was slowly reopening after the COVID pandemic shut down the nation. With vaccinations and COVID cases declining since February, San Bernardino County along with the City has re-opened with most retail venues now back at 100 percent capacity.

### **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. There are currently several new home master planned communities selling homes. The last three years have seen residential building permits growing significantly after a lull in the 10 years since the Great Recession. 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 City a prime area for future growth.

## CITRUS HEIGHTS NORTH SPECIFIC PLAN / IMMEDIATE SURROUNDINGS

The Citrus Heights North Specific Plan ("Specific Plan") was originally approved August 17, 2004 and amended November 12, 2019. The subject property falls within the Specific Plan. Per the Specific Plan, Citrus Heights North encompasses 207.23 acres and was originally approved for up to 1,161 residential homes and condominiums and a neighborhood commercial center as well as public and private recreational facilities. The subject property includes 32.7 net acres and is proposed for 392 residential units. The name of Citrus Heights North has been changed to Shady Trails for marketing purposes and will be referred to as Shady Trails within this report. The entire Shady Trails project is shown on the below land-use map with a red dotted outline identifying the subject property.



The subject property, a portion of the Shady Trails master plan, includes Planning Areas 13, 14, 16 and 17 on the above map. The remainder of the Specific Plan includes already developed residential areas (Planning Areas 1-4 and 7-11) along with two Edison Easements, open space, recreation areas and a neighborhood commercial zoned site. Planning Area 12 (shown as the neighborhood commercial site on map) is currently being re-zoned for residential use and is in escrow to a public builder.

The Specific Plan was envisioned to create a master planned community containing a maximum of 1,067 homes (per the 2019 Amendment) and a neighborhood commercial center along with public and private recreational facilities. The homes were proposed to be detached and attached to provide a complementary mix of housing types. Public and private recreation amenities include a community sports center, neighborhood parks, a comprehensive trail system along with private parks for residents. Currently, the total number of proposed homes within Shady Trails has been adjusted to 1,011 total units with 619 of the homes previously developed and the remaining 392 proposed homes, the subject of this appraisal.

The residential land uses within Shady Trails include single-family detached lots ranging from 4,000 to 10,000 square feet; garden courts which include detached housing in a courtyard configuration with a density of up to 10 dwelling units per acre; and, attached townhomes with a density of up to 16 dwelling units per acre. The 392 proposed units which are included in this appraisal include small conventional lots, courtyard detached along with attached units.

Shady Trails is located at the northwest corner of Summit and Citrus Avenues, two of the main arterials in North Fontana. Summit Avenue has an on/off ramp from I-15, and Citrus Avenue has an on/off ramp from the I-210, creating good access to the master planned community. The entire community is generally bordered by Knox Avenue to the north and west, Citrus Avenue to the east and Summit Avenue to the south. Shady Trails is bisected by two large Southern California Edison (SCE) easements which includes high-power lines. North of Shady Trails are vacant lands along with the new Lewis development,

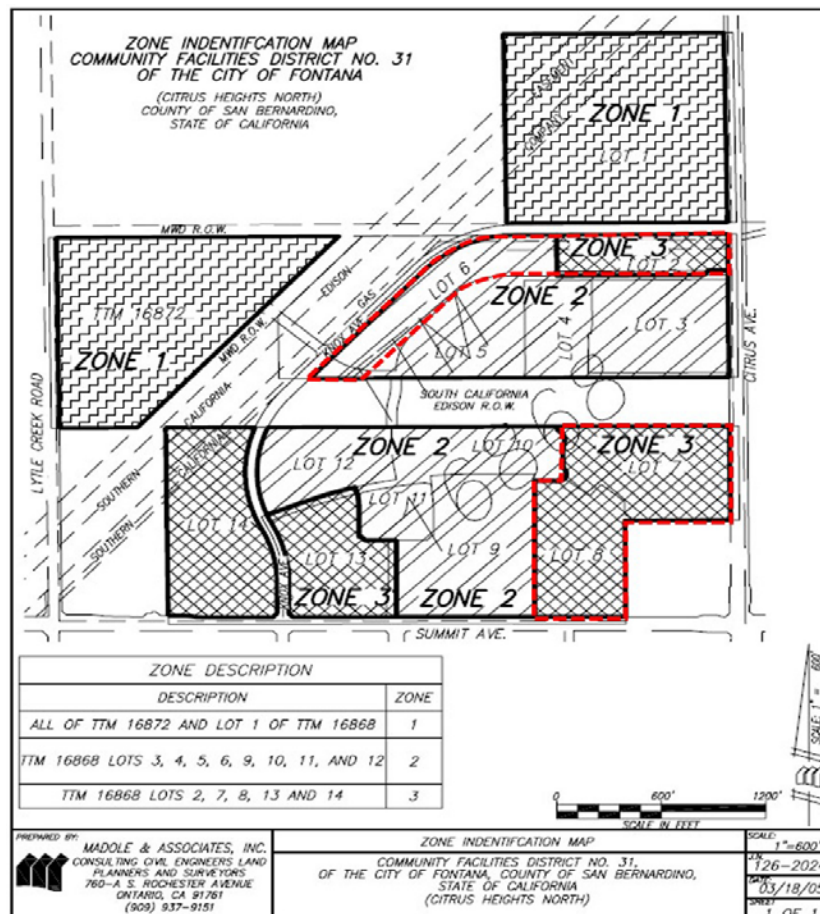
Mountainview, with D.R. Horton as the merchant builder for the neighborhood (currently selling) while to the east is Lewis's The Arboretum master plan (with Lennar currently selling new homes), existing homes and Summit Place, a new neighborhood by Taylor Morrison which has recently sold out. Southeast of Shady Trails is Gabion Ranch, a master plan by Lennar which is currently selling new homes. South of Shady Trails is Summit Avenue beyond which is existing residential, some vacant lands and Summit High School. West of Shady Trails are some vacant lands, and the Falcon Ridge Elementary School. West of Knox Avenue within the Specific Plan is Fontana Park which includes an Aquatic Center, Hockey Rink, Dog Park and Skate Park.

Shopping is available at Summit Avenue and I-15 one mile west at Falcon Ridge Town Center (anchored by a Target, Stater Brothers Market, CVS and 24-Hour Fitness) and at Sierra Avenue and the 210 Freeway, one mile south at the Sierra Lakes Marketplace (anchored by a Home Depot, Ralphs and LA Fitness) with a substantial amount of commercial fronting the 210 Freeway between Sierra Avenue and Citrus Avenue.

Shady Trails has good access to the local schools of the Fontana Unified School District with Summit High School located about one-half mile southwest on Summit Avenue, Sierra Lakes Elementary School located one-quarter miles southeast on the southeast corner of Summit Avenue and Citrus Avenue and Wayne Ruble Middle School located about two miles southeast of the subject.

## FONTANA CFD NO. 31 SHADY TRAILS

We have reviewed the City of Fontana CFD Report for Community Facilities District No. 31 (Citrus Heights North) dated May 23, 2005 as prepared by David Taussig & Associates, Inc. The CFD Report provides a brief project description of Fontana CFD No. 31, a brief description of the public facilities and services by type which will be required to adequately meet the needs of CFD No. 31; and an estimate of the costs of providing the public facilities and services for the above. Fontana CFD No. 31 consists of three zones encompassing approximately 215.9 acres with Zone 1 totaling 72.2 gross acres and 43.0 net acres proposed for 223 dwelling units, Zone 2 totaling 71.6 gross acres and 36.4 net acres proposed for 356 dwelling units and Zone 3 totaling 72.1 gross acres and 27.5 net acres proposed for 548 dwelling units. The subject of this appraisal crosses between portions of Zone 2 and Zone 3. The exterior boundaries of Fontana CFD No. 31 are shown on the map below with the red-dotted outlined property being the subject property.



Per the CFD Report, the description of the proposed facilities are for street improvements, including grading, paving, curbs and gutters, street signalization and signage, street lights and parkway and landscaping related thereto, sewers, storm drains, water reservoir and distribution facilities, public utilities, public parks and recreation facilities and land, rights-of-way and easements necessary for any such facilities. The types of public services to be financed by Fontana CFD No. 31 include services for the maintenance of parks, parkways and open space. Incidental expenses are also included.

The estimated cost of public facilities and services at time of the CFD Report for Fontana CFD No. 31 was approximately \$24.3 million. In addition, Fontana CFD No. 31 is expected to finance the annual costs to provide the maintenance of parks, parkways and open space. The Special Taxes within Fontana CFD No. 31 have been established to pay for additional services up to approximately \$665 per single family residence per year. This amount is subject to a two percent annual increase.

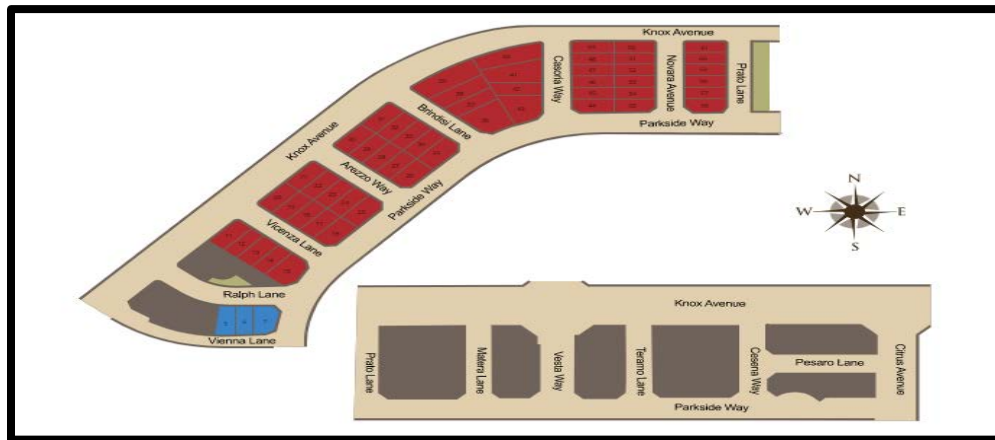
The maximum bonded indebtedness for Fontana CFD No. 31 is \$36,000,000. Per the current sources and uses of funds (dated August 26, 2021) for the proposed bond issuance, there will be an estimated \$7,727,705 bond fund deposit, \$762,400 in a debt service reserve fund, \$133,921 in Capitalized Interest and \$357,700 in underwriter's discount and cost of issuance for a total amount estimated at \$8,981,725 (all amounts subject to change). A larger copy of the Fontana CFD No. 31 boundary map is located in the Addenda for your review.



## SUBJECT PROPERTY DESCRIPTIONS

The subject property consists of the communities known as Wisteria, Aspen Court, Juniper and Birch Bend within the master planned community of Shady Trails. The subject communities are being built by Richmond American, Taylor Morrison, PLC Communities and TriPointe Homes respectively. Below is a property description for each community.

### **Wisteria:**



<b>Location:</b>	Wisteria is located along the south side of Knox Avenue west of Citrus Avenue in Fontana.
<b>Legal Property Description:</b>	Units 1-41 of Tract 17039 and Units 1-61 of Tract Map No. 17039-1. Formerly Lots 2 and 6 of Tract 16868.
<b>Property Owner:</b>	Richmond American as to Units 1-10 and 21-61 of Tract 17039-1 and Units 1-41 of Tract 17039; Individuals as to Units 11-20 of Tract 17039-1.
<b>Assessors Parcel Nos.:</b>	1107-422-01 through -05 and 1107-491-15 and -018 through -021. We have not been able to review individual AP Maps at this time.
<b>Three-Year Sales History:</b>	Richmond American purchased Wisteria from SC Fontana Development Company, LLC in two take downs based on an agreement signed in June 2019. The first take-down was for 61 lots with a minimum lot size of 2,800 square feet which closed in August of 2020. The second take-down was for the remaining 41 lots and occurred on June 2, 2021. The lots closed in a substantially finished condition. The sales price has been retained in our files for confidentiality purposes. Ten Units have closed to individual

homeowners and there are an additional 46 homes in escrow which are anticipated to close once the homes are complete.

**Property Taxes:** As assessor maps are not available, we have not been able to review the property taxes for a sample home within Wisteria. It appears the County web site hasn't assigned taxes on the condominium units at this time.

**Size & Shape:** The Wisteria site is irregular in shape and encompasses a total of 14.85 gross acres and 11.28 net acres (per the recorded tract maps) with the difference being set back areas, an open space area and internal streets.

**Zoning:** Per the current City of Fontana General Plan Land Use Map and the current Zoning Map, the site is designated as R-PC (or Residential Planned Community). In addition, the Citrus Heights North Specific Plan has been approved on the site. Per the Specific Plan, the Wisteria site is shown as Planning Area ("PA") 13 and PA 14. Per the Specific Plan PAs 13 and 14 encompass an estimated 13.6 acres and is allowed for up to 102 units based on a density between 6.5 and 8.5 dwelling units per acre.

**Entitlements:** Wisteria is covered by Tract Map Nos. 17039-1 and 17039. Tract Map 17039-1 recorded March 5, 2020 and divides the 8.32 gross acres (6.73 net acres) into 6 lots. The difference between the gross and net acreage appears to be the setback areas and internal streets. In addition, an Overall Site Plan for PA 13 was approved which made Lots 1-6 of Tract Map No. 17039-1 into 61 proposed condominium lots. In addition, a Condominium Plan for Phase 1 of Wisteria (Lots 2 and 3 of Tract No. 17039-1) was recorded on April 22, 2021 which created units 11-30; while Phase 2 and 3 were both recorded July 6, 2021 which created units 31-61. Tract Map No. 17039 recorded August 5, 2020 and divides the 6.52 gross acres (4.55 net acres) into four lots. Again, the difference between gross and net acres appears to be setback areas and internal streets. In addition, an Overall Site Plan for PA 14 was approved which approved Lots 1-4 of Tract Map No. 17039 to be 41 condominium lots. The overall density for Wisteria is 6.87 dwelling units per acre, which is below the allowed density per the Specific Plan.

**Topography:** The topography is generally flat, and currently the subject property is at street level of the surrounding streets. The lands have been developed into single-family pads. Drainage appears to be within an engineered street drainage system.

**Soils Condition:** We have reviewed a Geotechnical Investigation for Tract No. 16868, a 230-Acre Development which encompasses all of Shady Trails

which includes Wisteria, Aspen Court, Juniper and Birch Bend along with additional surrounding property. The report was prepared by RMA Group of Rancho Cucamonga, California and is dated August 2004. The report concludes that the proposed development is geologically and geotechnically feasible, provided the recommendations provided in the report are fully implemented.

It is an assumption of this report that the soils are adequate to support the highest and best use conclusion and that all recommendations made in all reports were adhered to during construction. This is evidenced by construction of homes on the site and City inspectors on site during construction.

**Seismic  
Information:**

The subject property is not located in a designated Earthquake Study Zone (Alquist-Priolo Earthquake Fault Zone) as determined by the State of California and there are no known active faults crossing the site.

**Environmental  
Concerns:**

We have reviewed three volumes of the Draft Environmental Impact Report ("EIR") for the entire Citrus Heights North Specific Plan prepared by UltraSystems Environmental of Irvine, California and dated March 2004. The reports conclude that there would be no anticipated significant effects in the categories of Land Use and Planning, Aesthetics, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, and Population and Housing. However, the Study did find that there could potentially be significant effects in the categories of: Air Quality, Biological Resources, Cultural Resources, Noise, Public Services, Recreation, Transportation and Traffic, and Utilities and Service Systems. All identified potentially significant impacts were deemed mitigatable to a less-than-significant level other than air quality. The appraiser refers the reader to the EIR for additional information.

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. 06071C7915H dated August 28, 2008 the property is shown as being located in Zone X, outside of the annual 0.2 percent change of flood.

**Easements and  
Encumbrances:**

We have reviewed a Preliminary Title Report prepared by Orange Coast Title Company covering the Wisteria project (old APNs 1107-262-44 and 62). The report is dated January 15, 2019 and is identified as Order No. 140-1975832-66. The exceptions are as follows:

Item Nos. 1-7 pertain to property taxes and special assessments including Fontana CFD No. 31. Item Nos. 8 and 9 refer to pipeline easements for San Gabriel Valley Municipal Water District. Item No. 10 is in regards to the recording of Tract No. 16868 which subdivided all of Shady Trails. Item No. 11 pertains to the Development Agreement. Item No. 12 refers to a deed of trust on the property. Item Nos. 13, 17 and 18 pertain to CC & Rs recorded on the site. Item No. 14 refers to a temporary reciprocal easement agreement. Item Nos. 15, 16 and 19 pertain to public utility easements. Item Nos. 20 and 22 state what the title company will need from the owner (SC Fontana Dev. Corp. at time of report) prior to issuing insurance. Item No. 21 refers to the rights of parties in possession.

While the exceptions appear typical for subject-type lands, 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. 31. The appraisers are not title experts 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
Water:	West Valley Water District
Sewer:	City of Fontana
Telephone:	AT & T
Schools:	Fontana Unified School District

Streets/Access: Access to the subject property is convenient via I-15 to Duncan Canyon Road, east half of a mile to Citrus Avenue, and south on Citrus Avenue for one half mile to Knox Avenue. Access via I-210 is also easy using exit Citrus Avenue north one and one-half mile to Knox Avenue. The subject is accessible from Knox Avenue via Parkside Way, or via Citrus Avenue or via Summit Avenue.

I-15 is a major north/south freeway, which provides access to both international borders with Mexico and Canada.

I-210 is also 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 (about one and one-quarter miles north at the subject) which gets congested at commuting times.

I-10 (six 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

Citrus Avenue has on/off ramps at I-10 and I-210 and provides access into central and south Fontana. Citrus Avenue's northern terminus is at Duncan Canyon Road, just north of the subject.

Sierra Avenue in Fontana makes up the eastern border of the subject and provides north/south access into downtown Fontana and into Sunnyslope. It provides access and has on/off ramps for: I-15, I-210, and I-10.

Summit Avenue is a smaller local arterial that provides east/west access to the subject and to Falcon Ridge Town Center at the Summit Avenue/Beech Avenue/I-15 intersection.

Internal streets within Wisteria include: Ralph Lane, Vicenza Lane, Arezzo Way, Brindisi Lane, Casoria Way, Novara Avenue, Prato Lane, Matera Lane, Vesta Way, Teramo Lane, Cesena Way and Pesaro Lane. The models for Wisteria are located on Ralph Lane at the corner of Parkside Way.

**Current Condition:** Wisteria has been graded and developed into 102 single-family detached condominium lots with a minimum lot size of 2,800 square feet. The lots are in a physically finished condition with streets complete and utilities stubbed to each lot and completed homes on some lots. Ten homes have closed to individuals. In addition, there are 3 models which are complete along with 10 production homes over 95 percent complete (all in escrow). There are 31 homes under construction (under 95 percent complete and all in escrow) and 48 remaining finished lots (five in escrow).

**Cost to Complete:** Residential lands in the area are typically sold on a "finished lot" or "finished pad" basis. That is, builders pay a finished lot or finished pad price less the remaining development costs that will need to be expended to arrive at a "finished lot" or "finished pad". Per Richmond American representatives, the remaining land development costs are \$3,525,483 for land development and \$1,323,522 in remaining fees for the 48 lots which don't have building permits yet. The costs are the sole responsibility of the homebuilder and do not reflect on any of the homeowners. Dividing the land development remaining costs of \$3,525,483 by all of the Richmond American owned property equates to \$38,320.46 per lot (\$3,525,483/92 lots) while the remaining fees are for the 48 lots which do not have building permits

at this time. These costs will be taken into account in the valuation section, later within this report.

**Home Owner's  
Association:**

The overall Shady Trails Master Community Association fee is estimated at \$178 per month per unit at build-out while the Wisteria Community Designated Service Area Assessment (DSA) current estimate is \$113 per month, however is anticipated to be \$72 per month at build-out.

**Improvement  
Description:**

Wisteria at Shady Trails opened for sale at the end of October 2020 and includes 102 proposed homes being built out by Richmond American. Wisteria offers three floorplans with three elevation styles. The homes feature two stories with attached two car garages, and offer three bedrooms and two and one-half bathrooms. The homes offer a variety of room options, including lofts and studies and an optional fourth bedroom. Plans include second floor laundry rooms, walk in closets in the master bedroom, second floor lofts, and open concept first floors with great rooms connecting kitchens and dining rooms. Kitchen's feature eat-in islands and large pantries.

We have reviewed Wisteria's sales information from the builder which includes 56 homes sold between November 1, 2020 and August 1, 2021. Ten homes have closed to individuals at the time of this report, with final sales prices on the closed homes and current escrows ranging from \$495,518 to \$733,418. Current base pricing per Richmond American is \$606,990 to \$629,990, while opening base prices ranged from \$479,990 to \$496,990. The houses which are over 95 percent complete are detailed below.

<b>Plan</b>	<b>Bd/Ba</b>	<b>Floors/ Parking</b>	<b>Sq. Ft.</b>	<b>Ind. Owned</b>	<b>Bldr. Owned</b>
1	3 / 2.5	2 / 2	2,210	3	4*
2	3 / 2.5	2 / 2	2,350	4	5*
3	3 / 2.5	2 / 2	2,440	3	4*
<b>Total</b>				<b>10</b>	<b>13</b>

\*One of each plan is a model home. In addition to the above shown houses, there are 31 homes under construction and 48 finished lots.

## Aspen Court:



Location:	Aspen Court is located at the southwest corner of Citrus Avenue and Parkhouse Drive.
Legal Property Description:	Lot 2 of Tract Map No. 17041 (Units 1-60). Formerly portion of Lot 7 of Tract 16868.
Property Owner:	Taylor Morrison as to all lots.
Assessors Parcel Nos.:	1107-501-02-0000. We have not received subdivided AP maps at this time.
Three-Year Sales History:	Taylor Morrison LLC purchased Aspen Court from SC Fontana Development Company, LLC, a Delaware Limited Liability Company in January 2021 based on an agreement dated August 2019. The sales price has been retained in our files for confidentiality purposes. The lots closed with a final map in place. There have been no closings to individual homebuyers and the Grand Opening for the project is slated for June 26, 2021.
Property Taxes:	Without Assessor Parcel Numbers we cannot review the property taxes for a sample lot within Aspen Court. It appears the County web site hasn't assigned taxes on the condominium units at this time.
Size & Shape:	Lot 2 of Tract Map 17041 is roughly rectangular in shape and encompasses 4.99 acres per Tract Map 17041.
Zoning:	Per the current City of Fontana General Plan Land Use Map and the current Zoning Map, the site is designated as R-PC (or Residential Planned Community). In addition, the Citrus Heights North Specific Plan has been approved on the site. Per the Citrus Heights Specific

Plan the Aspen Court site is shown as a portion of Planning Area 17. Per the Specific Plan, PA 17 encompasses an estimated 13.1 acres and is allowed for up to 151 units based on a density between 11.0-14.8 dwelling units per acre.

**Entitlements:** Aspen Court, Birch Bend and Juniper are all covered by Tract Map No. 17041, which was recorded on August 5, 2020. This Tract Map divides 22.78 acres into four numbered lots which represent Aspen Court, Birch Bend, Juniper and a community park. Aspen Court is being developed on Lot 2, which has been further divided into pads arranged into generally 8-pack motorcourt cluster units, composing 60 homes total which equates to an overall density of 12.0 dwelling unit per acre, within the allowed density.

**Topography:** The topography is generally flat and currently the subject property is at street level of the surrounding streets. The lands have been developed into single-family pads. Drainage appears to be within an engineered street drainage system.

**Soils, Seismic, Environmental & Flood Conditions:** Please refer to the Wisteria Property Description for the discussion on Soils, Seismic, Environmental and Flood Conditions.

**Easements and Encumbrances:** We have reviewed a Preliminary Title Report prepared by Orange Coast Title Company covering the Aspen Court, Birch Bend and Juniper communities (Lots 1-4 of Tract 17041) dated January 4, 2021 as order No. 140-1975833-32. The exceptions are as follows:

Item Nos. 1-5 pertain to property taxes and special assessments on the site including the notice of Fontana CFD No. 31. Item Nos. 6, 13, 15, 16, 23 and 24 refer to easements for public utilities and for landscaping purposes. Item No. 7 pertains to the dedication statement on Tract Map No. 16868 (previously covered all of Shady Trails). Item No. 8 refers to the Development Agreement for the Citrus Heights North development. Item No. 9 pertains to a Trust Deed on the property. Item Nos. 10, 11, 12 and 19 refer to CC & Rs recorded on the property. Item No. 14 refers to the dedication statement on Tract Map No. 17041. Item No. 17 and 18 state the owners have no right to vehicular access to Summit and Citrus Avenues except at specified points. Item No. 20 is in regards to the managing Association. Item Nos. 21 and 22 refer to Memorandum Agreements. Item Nos. 25 and 27 refer to items the title company will need from the owner prior to issuing title insurance. Item No. 26 is in regards to the parties in possession of the site.



Utilities:	Please refer to the Wisteria Property Description for a listing of the utility company that serve the site.
Internal Streets:	For access and external streets, please refer to the Wisteria Property Description. Internal streets within Aspen Court include: Carrara Lane, Siracusa Way, Narni Lane, and Merano Way. The models for Aspen Court are located on Carrara Lane at the corner of Parkhouse Way and Siracusa Way.
Current Condition:	Aspen Court has been graded and developed into 60 single-family detached condo lots with a density of 12 dwelling units per acre. The lots are arranged in motorcourt style with generally eight homes per cluster. The lots are in a physically finished condition with streets complete and utilities stubbed to each lot and completed homes on some lots. There are 12 lots with homes over 95 percent complete which include the model homes for the community and eight production homes (seven in escrow). There are 16 additional homes under construction (under 95 percent complete with two in escrow) and 32 remaining finished lots.
Cost to Complete:	Residential lands in the area are typically sold on a “finished lot” or “finished pad” basis. That is, builders pay a finished lot or finished pad price less the remaining development costs that will need to be expended to arrive at a “finished lot” or “finished pad”. Per Taylor Morrison’s representatives, the remaining land development costs, including development fees are \$2,516,000 which equates to \$41,933.33 per lot ( $\$2,516,000 / 60$ lots). These costs will be taken into account in the valuation section, later within this report.
Home Owner’s Association:	The overall Shady Trails Master Community Association fee is estimated at \$178 per month per unit at build-out while the Aspen Court Community Designated Service Area Assessment (DSA) current estimate is \$126 per month, however is anticipated to be \$81 per month at build-out.
Improvement Description:	Aspen Court at Shady Trails opened for sale June 26, 2021. There are four floorplans with three architectural styles: Spanish, Craftsman and Italian. The proposed floorplans feature two stories with attached, staggered two car garages, and offer three to four bedrooms and up to three bathrooms. Select plans include mudrooms from the garage to the first floor of the house. Plans include second floor laundry rooms, walk in closets in the master bedroom, second floor lofts, and open concept first floors with “gathering” rooms connecting kitchens and dining rooms. Kitchen’s feature eat-in islands and large pantries.

There have been 11 sales at Aspen Court with sales pricing from \$542,715 to \$615,305. Opening base pricing was from \$516,000 to \$563,000 while current base pricing is \$523,000 to \$572,000. The first closings are anticipated in September 2021. The houses which are over 95 percent complete are detailed below.

Plan	Bd/Ba	Floors/ Parking	Sq. Ft.	Ind. Owned	Bldr. Owned
1	3 / 2.5	2 / 2	1,665	0	3*
2	3 / 2.5	2 / 2	1,759	0	4*
3	4 / 2.5	2 / 2	1,891	0	2*
4	4 / 3	2 / 2	1,989	0	3*
Total				<b>0</b>	<b>12</b>

\*One of each plan is a model home. In addition to the above shown houses, there are 16 homes under construction and 32 finished lots.

### Juniper:



**Location:** Northwest corner of Citrus Avenue and Park House Drive, Fontana.

**Legal Property Description:** Lot 3 of Tract Map No. 17041 (Units 1-91). Formerly portion of Lot 7 of Tract No. 16868.

**Property Owner:** PLC Shady Trails LLC, a Delaware limited liability company as to all homes.

**Assessors Parcel Nos.:** Original Assessor Parcel No. 1107-501-03-0000. The new AP map is not yet available.

Three-Year Sales History:	PLC Communities purchased Juniper from SC Fontana Development Company LLC (a related entity to Lewis Group of Companies) in January 2021 with an approved final map. The sales agreement was dated October 2019. The sales price has been retained in our files for confidentiality purposes. There have been no closings to individual homebuyers; however nine of the homes under construction are sold and due to close upon completion.
Property Taxes:	Due to no Assessor Maps we have not been able to review the property taxes for a lot within Juniper. It appears the County web site hasn't assigned taxes on the condominium units at this time.
Size & Shape:	Lot 3 of Tract Map 17041 is roughly rectangular in shape and encompasses 6.63 acres per Tract Map 17041.
Zoning:	Per the current City of Fontana General Plan Land Use Map and the current Zoning Map, the site is designated as R-PC (or Residential Planned Community). In addition, the Citrus Heights North Specific Plan has been approved on the site. Per the Citrus Heights Specific Plan, both the Aspen Court and the Juniper sites are shown as Planning Area 17. Per the Specific Plan, PA 17 encompasses an estimated 13.1 acres and is allowed for up to 151 units based on a density between 11.0 and 14.8 dwelling units per acre.
Entitlements:	Aspen Court, Birch Bend and Juniper are all covered by Tract Map No. 17041, which was recorded on August 5, 2020. This Tract Map divides 22.78 acres into four numbered lots which represent Aspen Court, Birch Bend, Juniper and a community park. Juniper is being developed on Lot 3, which has been approved for 91 courtyard cluster units which are generally detached on 6.63 acres. The approved use equates to an overall density of 13.7 dwelling units per acre which is within the allowed density.
Topography:	The topography is generally flat and currently the subject property is at street level of the surrounding streets. The lands have been developed into single-family pads. Drainage appears to be within an engineered street drainage system.
Soils, Seismic, Environmental & Flood Conditions:	Please refer to the Wisteria Property Description for the discussion on Soils, Seismic, Environmental and Flood Conditions.
Easements and Encumbrances:	Please refer to the Aspen Court Property Description for a write up on the easements and encumbrances for Juniper.

Utilities:	Please refer to the Wisteria Property Description for a listing of the utility servers.
Streets:	For access and external streets, please refer to the Wisteria Property Description. Internal streets within Juniper include: Parkhouse Drive, Vicenza Lane, Jamie Street, Andria Alley, Forio Alley, Sarno Alley, Corato Alley and Ardea Alley. The models for Juniper are located on Parkhouse Drive at the corner of Vicenza Lane and Jamie Street.
Current Condition:	Juniper has been graded and developed into 91 detached bungalows and carriage unit condos with a density of 13.7 dwelling units per acre. The homes are arranged in alleys with three units per pad, and typically four pads per alley. The lots are in a physically finished condition with streets complete and utilities stubbed to each pad and homes under construction on some lots. There are four model homes including a sales office that are complete. There are nine production units that are under construction. There are 78 remaining finished lots. The nine production homes are all sold and are anticipated to close upon completion.
Cost to Complete:	Residential lands in the area are typically sold on a "finished lot" or "finished pad" basis. That is, builders pay a finished lot or finished pad price less the remaining development costs that will need to be expended to arrive at a "finished lot" or "finished pad". Per PLC Communities representatives, the remaining land development costs, including development fees are \$3,490,000 which equates to \$38,351.65 per lot ( $\$3,490,000 / 91$ units). These costs will be taken into account in the valuation section, later within this report.
Home Owner's Association:	The overall Shady Trails Master Community Association fee is estimated to be \$178 per month per unit at build-out while the Juniper Designated Service Area Assessment (DSA) is anticipated to be \$177 per month per unit at build-out.
Proposed Improvement Description:	Juniper at Shady Trails includes 91 total proposed homes being built by PLC Communities. The community opened for sale July 24, 2021 with three models and a sales office. Juniper offers a unique product style of two-story detached bungalows with private but detached garages; and a single level/carriage unit over the three garages. Juniper will offer three floorplans with two architectural styles: Spanish Colonial and American Farmhouse. The proposed floorplans feature one and two stories: two of the three plans offer detached side by side two car garages, with the third floorplan offers single level living and an attached garage over three separated garages. The floorplans offer three to four bedrooms and up to three bathrooms. Plans include second floor laundry rooms, walk in

closets in the master bedroom, and open concept first floors with great rooms connecting kitchens and dining rooms. Kitchen's feature eat-in islands and pantries. Select floorplans offer covered patios or private courtyards, and the Plan 2 and 3 offer first floor bedrooms.

There have been nine sales at Juniper with sales pricing from \$479,900 to \$519,900 however these prices do not include any options purchased by the buyer. Base pricing at opening ranged from \$475,900 to \$514,900 while current base pricing is \$484,900 to \$521,900. The houses which are over 95 percent complete are detailed below.

Plan	Bd/Ba	Floors/ Parking	Sq. Ft.	Ind. Owned	Bldr. Owned
1	3 / 2	1 / 2	1,477	0	1*
2	4 / 3	2 / 2	1,592	0	1*
3	4 / 3	2 / 2	1,611	0	2*
Total				0	4

\*One of each plan is a model home. In addition, there are 9 homes under construction and 78 finished lots.

## Birch Bend:



Location:

Birch Bend is located along the north side of Summit Avenue at Enna Lane which will be the gated entrance to the community.

**Legal Property**

**Description:** Lot 1 of Tract Map No. 17041 (Units 1-139).

**Property Owner:** TriPointe Homes Holdings Inc. as to all units.

**Assessors**

**Parcel Nos.:** 1107-501-01-0000. The individual Assessor Parcel Maps are not yet available.

**Three-Year**

**Sales History:** TriPointe Homes purchased Birch Bend from SC Fontana Development Company, LLC (a related entity to Lewis Group of Companies). They closed in January 2021 with an approved final map. The sales agreement was dated June 2019. The sales price has been retained in our files for confidentiality purposes. There have been no closings to individual homebuyers; however five homes are in escrow and due to close upon completion.

**Property Taxes:** The Assessor Maps for individual units are not available, thus we have not been able to review the property taxes for a sample lot within Aspen Court. It appears the County web site hasn't assigned taxes on the condominium units at this time.

**Size & Shape:** Lot 1 of Tract Map 17041 is roughly rectangular in shape and encompasses 9.8 acres per Tract Map 17041.

**Zoning:** Per the current City of Fontana General Plan Land Use Map and the current Zoning Map, the site is designated as R-PC (or Residential Planned Community). In addition, the Citrus Heights North Specific Plan has been approved on the site. Per the Specific Plan, the Birch Bend site is shown as Planning Area 16. Per the Specific Plan, PA 16 encompasses an estimated 9.6 acres and is allowed for up to 139 units based on a density between 14 and 18.1 dwelling units per acre.

**Entitlements:** Aspen Court, Birch Bend and Juniper are all covered by Tract Map No. 17041, which was recorded on August 5, 2020. This Tract Map divides 22.78 acres into four numbered lots which represent Aspen Court, Birch Bend, Juniper and a community park. Birch Bend is being developed on Lot 1, which has approvals for pads for 139 attached row townhomes on 9.8 acres. The approved use equates to an overall density of 14.1 dwelling units per acre which is within than the allowed density.

**Topography:** The topography is generally flat and currently the subject property is at street level of the surrounding streets. The lands have been

Soils, Seismic, Environmental & Flood Conditions:	developed into single-family pads. Drainage appears to be within an engineered street drainage system.  Please refer to the Wisteria Property Description for the discussion on Soils, Seismic, Environmental and Flood Conditions.
Easements and Encumbrances:	Please refer to the Aspen Court Property Description for a write up on the easements and encumbrances for Birch Bend.
Internal Streets:	For access and external streets, please refer to the Wisteria Property Description. Internal streets within Birch Bend include: Kate Way, Aversa Alley, Tivoli Alley, Prato Alley, Taranto Alley, Caserta Alley, Bolzano Alley, Stresa Lane, Bergamo Alley, Enna Lane, Livorno Lane, and Altamura Way. The models for Birch Bend are located on Rivoli Alley off of Kate Way, accessible from Parkhouse Drive.
Current Condition:	Birch Bend has been graded and developed into pads for 139 row townhomes arranged in 5- and 6-plexes with a density of 14.1 dwelling units per acre. The units are attached and arranged in alley loaded row townhomes. The pads are in a physically finished condition with streets complete and utilities stubbed to each lot and homes under construction on some lots. There are five model homes over 95 percent complete, and 22 homes currently under construction along with 112 remaining finished lots. On July 24, 2021 the project opened for sale and released six homes, five of which are in escrow and due to close upon completion.
Cost to Complete:	Residential lands in the area are typically sold on a "finished lot" or "finished pad" basis. That is, builders pay a finished lot or finished pad price less the remaining development costs that will need to be expended to arrive at a "finished lot" or "finished pad". Per TriPointe Homes representatives, the remaining land development costs, including development fees are \$5,655,299 which equates to \$40,685.60 (\$5,655,299 / 139 units) per lot. These costs will be taken into account in the valuation section, later within this report.
Home Owner's Association:	The overall Shady Trails Master Community Association fee is proposed to be \$178 per month per unit at built-out while the Birch Bend Designated Service Area Assessment (DSA) is anticipated to be \$166 per month at build-out.
Proposed Improvement Description:	Birch Bend at Shady Trails opened for sale July 24, 2021 and includes 139 proposed attached row townhomes being built out by

TriPointe Homes. Birch Bend has five floorplans (all which are modeled) with two architectural styles: Spanish Colonial and Colonial. The proposed floorplans feature one and two stories with attached side by side two car garages, and offer two to four bedrooms and up to three bathrooms. Plans include second floor laundry rooms, walk in closets in the master bedroom, and open concept first floors with living rooms connecting kitchens and dining rooms. Select floorplans also feature a second-floor loft. The gourmet kitchens feature eat-in islands and pantries. While marketing information shows square footages of 1,311; 1,556; 1,604; 1,895 and 1,927 square feet, the developer information shows square footages of 1,309, 1,556, 1,690, 1,900 and 1,922 square feet. For purposes of our valuation, we are utilizing the lower square footages (or more conservative square footage) in this analysis.

The grand opening was July 24 and six homes were released with five in escrow as of August 1, 2021. The base pricing for the first phase was \$434,000 to \$515,000 while current base pricing is \$439,000 to \$520,000 with a \$5,000 increase across all plans. The home sizes are detailed below.

Plan	Bd/Ba	Floors/ Parking	Sq. Ft.	Ind. Owned	Bldr. Owned
1	2 / 2	2 / 2	1,309	0	1*
2	2 / 2.5	2 / 2	1,556	0	1*
3	3 / 2.5	2 / 2	1,604	0	1*
4	3 / 3	2 / 2	1,895	0	1*
5	4 / 3	2 / 2	1,922	0	1*
Total				<b>0</b>	<b>5</b>

**One of each plan is a model home.** In addition to the above shown houses, there are 22 homes under construction and 112 finished lots.



## THE INLAND EMPIRE HOUSING MARKET

In analyzing the area's housing market, population growth and economic conditions need to first be considered.

### **Population**

The County population remained relatively the same between January 2020 and January 2021, at 2.1759 million in 2021 and 2.1754 in 2020 (California Department of Finance). However, the County averaged an average growth rate of 2.1 percent the previous 20 years. The slowdown in population growth appears to be due to the COVID-19 pandemic coupled with the sluggish national economy at the time and is similar to other Southern California counties during this time period. Predictions were for the County to grow at an average annual rate of 0.95 percent over the next ten 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-19 influence is still unknown on the County's population growth. New home sales in the County in 2020 and thus far into 2021 were higher than the coastal communities due to affordability, the work from home factor, and that millennials are finally entering the housing market which may increase County population growth.

### **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 in other areas of Southern California. 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-19 pandemic hit in March 2020, the housing market seemed to slow down significantly in March but by May new homes were once again going under contract with new homes selling at above average absorptions rates from May 2020 through July 2021 in the region.

Economic growth in the Inland Empire was strong between 2002 and 2007. Job losses occurred between 2007 and 2009, with a leveling out in 2010, a slight upturn in 2011, and general increases since that time until the economic shutdown due to COVID-19. The unemployment rate for the MSA was 7.9 percent for June, lower than the high of 15.1 percent in July 2010 during the Great Recession. The current rate is similar to California's unemployment rate of 8.0 percent and higher than the June 2021 National rate of 6.1 percent. The pre-COVID rate in February 2020 for the MSA was 4.0 percent with the peak during COVID at 14.9 percent. It is now estimated that about 60 percent of the jobs lost at the beginning of the pandemic have been recovered in the nation. While it was thought once the COVID pandemic ends, the nation will get back to the previous highs, it is now looking like there may be some changes in the post-COVID economy. These changes include many companies switching to work-from-home for their employees whenever possible, on-line shopping will be a larger factor in retail, people moving out of urban areas to suburban areas, on-line academia rising and many now believing that the travel and leisure industry may never get back to the old "normal" as restaurants closed, hotels are currently at less than 75 percent capacity and airline revenues are still down significantly.

The housing market has played a large role in the past two recessions. It was a significant factor in strengthening the impact of 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 due to the problems in the sub-prime and non-conventional mortgage markets. In March 2007, the Federal Government initiated efforts to stop or limit sub-prime mortgages. Unfortunately, the damage had already been done with sub-prime mortgages playing a role in the 2008 shake out of Wall Street and contributing significantly to the U.S. economic downturn. 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.

Thus far into the COVID recession, new home sales have been the lone bright spot in the economy. While new home sales slowed in March and April 2020 due to the COVID-19 pandemic, prices did not appear to change in the County. Some builders increased concessions at the beginning of the pandemic but by May 2020, they were back to where they were prior to COVID-19. The Inland Empire was documented as the tightest housing market in the nation (OC Register October 10, 2020) based on the supply. As of the end of March the new home supply in the Inland Empire was 40 percent below one year-ago levels. This put pressure on prices to rise. As of mid-June, over 91 percent of new home builders in the nation were stating pricing has increased over the previous month; however, there were signs that a ceiling may be being reached with nine percent of new-home builders reporting cancellations are increasing. Per Metrostudy's survey of homebuilders, their largest concerns as of mid-June 2021 relate to (1) availability of materials; (2) cost of materials increasing; (3) affordability of buyers; (4) labor shortages; (5) land prices increasing.

Home loan mortgage rates have been and are still playing a large part in the housing market. The Federal Reserve Board ("Board") had held mortgage rates at all-time lows after the Great Recession in an attempt to assist the housing market. Low rates appeared to help for quite a while, however, first-time buyers are now having a hard time entering the housing market due to rising prices. The Board had kept interest rates below historical averages dropping rates to near zero in December 2008. There had been eight subsequent one-quarter point increases with the December 2018 increase bringing the Federal Rate to 2.25-2.5 percent which appeared to have a negative impact on home sales. In 2019 the Board reduced the rate one-quarter percent three times in an effort to spur the economy. This appeared to help as housing sales began to increase in early 2020, prior to COVID-19. On March 3, 2020, due to the COVID-19 pandemic economic disruption, the Board reduced the Federal Rate one-half percent. Then on March 16, 2020 they reduced the rate an additional one percent to the current Federal Rate of 0.00 – 0.25 percent, the lowest rate in history. The quoted average U.S. rate for a 30-year fixed mortgage per FRED (Federal Reserve Economic Data) as of August 12, 2021 is 2.87 percent which is below the previous low of 3.3 percent which occurred in January 2013,

however higher than the most recent low of 2.65 percent on January 7, 2021. Mortgage applications for both refinances and home purchases have been spiking due to these low rates. Most economists are predicting that, once the economy gets back to full speed, the lower interest rates will help the housing market bounce back with some now stating that the housing market has more of a V-shaped recovery while the overall economy will be more U-shaped or swoosh-shaped. With COVID surging again this past winter resulting in several states at least partially shutting down, it began looking like this recession will be longer than originally forecast, however this does not seem to be affecting the new home market in the Inland Empire. While existing home listings appeared to slow initially during the pandemic, new home sales have been substantially increasing throughout the duration of the pandemic.

The fall out of the shut-downs from the COVID pandemic are still affecting the economy. As previously discussed, the Federal Government approved \$5.6 trillion in COVID relief in order to keep the economy stable. This amount of money entering the system appears to be fueling inflation with the May, June and July 2021 National inflation rate all above 5.0 percent compared to a 1.2 percent average in 2020. High inflation is one of the factors that the Federal Reserve Board watches in order to determine both bond purchases and fluctuations in the interest rate. If inflation continues to increase, it is thought the Board will lessen their purchases of bonds. Since June 2020, in order to help stabilize the economy, the Board has purchased \$80 million in Treasury Bonds and \$40 million in Mortgage Securities each month. While no decision to lesson Bond buying occurred at the last meeting in July, there is currently talk that the bond buying program may begin to be scaled back over the next few months. The monthly purchase of \$40 Million in mortgage-backed securities has also fueled the home buying and refinancing markets.

### **Residential Land Development**

While there had been little land development going on in most of the Inland Empire during the years 2008-2011, beginning during the second half of 2012 there was a resurgence in the more coveted areas such Ontario, Rancho Cucamonga, Fontana, Chino and Chino Hills in Southwest San Bernardino County. The increase in housing prices since 2012

coupled 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 time of processing entitlements, has limited the master developers in California. While prior to the recession it was not unusual to see numerous large master-planned communities selling lots to builders, there are few currently available in the subject area. This is partially due to financing for land development which has been difficult to obtain. 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. Land sales slowly grew from 2012 up to a peak in 2017 with 2018 and 2019 showing lower land transactions; however, 2020 and the first half of 2021 have eclipsed the 2017 peak of residential land transactions as builders are trying to keep up with the demand for new homes. With new housing appearing to be one of the strongest sectors in the coronavirus economy, there appears to be a rebound in new-home starts. There is talk that the current rush to build by the new-home builders in the Inland Empire may create a slower 2022/2023 in residential land sales. That is, residential land has been selling exceptionally well since the middle of 2020, but that may be pulling future demand forward creating a softening in the land market in the future.

### **New Home Sales and Pricing**

After the Great Recession new home sales continued their strong pace into the first quarter of 2020 until the COVID-19 pandemic. Sales slowed for the month of March, however began to rise in April and May with new home sales being a bright spot in the Inland Empire COVID economy since June 2020. 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.

We have researched new single-family homes within the subject real estate 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. New home sales in San Bernardino County were up 35.9 percent year over year from the first

quarter of 2020 to the first quarter of 2021 (from 841 new home sales in Q1 2020 to 1,143 new home sales in Q1 2021) per John Husing's Economic Report dated May 2021. This significant increase was amplified due to the slow-down in March 2020 due to the COVID pandemic and the decrease in interest rates since then. As rates go down, purchasing power becomes larger which gives new home buying a boost. New home sales are currently surging in the Inland Empire with prices increasing. In reviewing new home sales in the Inland Empire market area, per the August 1, 2021 Ryness Report, the average year to date sales are 42 percent greater than the previous year average year-to-date sales. Again, this is partially amplified by the slow-down in March and April 2020 due to COVID.

The years 2018 and 2019, as well as the first quarter of 2020, saw a significant increase in new homes projects in the Inland Empire. Due to the high number of residential land sales in 2017, new homes projects increased 48 percent over the past two plus years in the Inland Empire from 131 new home projects in January 2018 to 195 new home projects as of August 1, 2021 (according to Ryness Company Reports). While this sounds like a huge increase, the number of new home sales is still running about 75 percent below the average of 2002 through 2006. New home sales in overall San Bernardino County for the 1<sup>st</sup> quarter of 2021 were 1,143 (for the quarter) while new home sales for the 1<sup>st</sup> quarter of 2020 were only 841, representing an increase of 35.9 percent (latest data per Husing). The 1,143 new home sales for the quarter would equivocate to 4,572 new home sales for the year, which relate to the aforementioned needed homes based on population growth of 7,000 per year. This suggests new home supply is not keeping up with the demand due to population growth.

New single-family home prices (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 new home median price is a record high of \$475,000 for Riverside County and \$498,500 for San Bernardino County (for a combined average of \$486,750) per John Husing's May 2021 report. This reflects an

increase of over 75 percent from the bottom of the cycle and an increase of 11.3 percent over its previous peak. New home sale prices typically fluctuate based on the land value more than the cost of building the home. While finishes and sizes of homes can change, the basic costs on a per square foot basis do not typically fluctuate as much as land values, however recently, there have been inflationary increases in construction costs adding to this increase.

Within our search for the most comparable actively selling new home communities within the subject's city of Fontana, we found twelve comparable attached or cluster new home projects within the competitive market area including the subject's Wisteria, Aspen Court, Juniper and Birch Bend, with base pricing generally ranging from \$439,000 to \$688,000. The subject communities have a range base price range from \$439,000 to \$629,990.

### **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 July 2021 (\$760,000) is down 0.8 percent month-over-month from June 2021 (\$766,000), however up 22.1 percent year-over-year from \$622,500 in July 2020. While new home sales have been a bright spot in the economy during even the start of COVID, existing home sales essentially stopped at the beginning of the pandemic as people decided not to move out of their home at this time, constraining the existing home supply. This has changed however as sales are now nearing all-time highs due largely in part to the current historically low interest rates. The overall Southern California numbers compare to San Bernardino County with \$440,000 as the median price paid for an existing home in the County in July 2021, up 1.1% since June 2021, and up 25.7 percent on a year-over-year basis (\$350,000). 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	July 2021	June 2021	July 2020	Price MTM % Change	Price YTY % Change	Sales YTY % Change
Los Angeles	\$809,750	\$796,120	\$660,340	1.7%	22.6%	6.4%
Orange	\$1,090,000	\$1,138,000	\$880,000	-4.2%	23.9%	1.1%
Riverside	\$570,000	\$575,000	\$462,000	-0/9%	23.4%	-9.9%
San Bernardino	\$440,000	\$435,000	\$350,000	1.1%	25.7%	-13.2%
San Diego	\$860,000	\$865,000	\$719,000	-0.6%	19.6%	1.4%
Ventura	\$825,000	\$840,000	\$720,000	-1.8%	14.6%	1.9%

Source: California Association of Realtors

Based on July 2021 median existing homes prices, in comparison to 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 \$130,000 as compared to Riverside County, \$369,750 as compared to Los Angeles County, \$385,000 as compared to Ventura County, \$420,000 as compared to San Diego County, and \$690,000 as compared to Orange County. That is, in May 2021, the median priced home in San Bernardino County was \$650,000 less (60 percent less) than the median priced home in Orange County (\$1,090,000). 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 are seeing more growth which is putting pressure on home prices.

In a separate attempt to capture the 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 of the subject are shown in the table below.

Community Name	Location To Subject	July 2021 Price Median	Price % Change from July 2020
Fontana	Subject	\$570,000	20.0%
Rancho Cucamonga	West	\$671,000	25.3%
Ontario	Southwest	\$570,000	20.0%
Jurupa Valley	South	\$568,000	20.2%
Bloomington	Southeast	\$475,000	31.9%
Riverside	Southeast	\$545,000	20.9%
Rialto	East	\$495,000	23.7%

Source: Redfin Housing Market Trends June 2021



The table above depicts price changes over the past year on median home sales prices for existing single-family homes. The subject area's median home sales price is \$570,000, is within the range of the surrounding areas. It should be noted that Rancho Cucamonga is known as a more desirable address and stands as an outlier in the immediate surrounding area. The above price fluctuations from year to year relate to the California Association of Realtor's overall San Bernardino County single family detached home resale price increase of 25.7 percent year-over-year from July 2020 to July 2021.

According to the Ryness Report dated August 1, 2021, there are currently 26 new home projects in the subject's Central-East San Bernardino submarket with the City of Fontana housing 21 of them (including the four subject communities).

### **Shady Trails - Sales and Pricing**

The subject consists of four new home communities (392 units) within the Shady Trails master plan. All four communities are open for sale however two of them have been open for only a week or so. Within Wisteria there have been 56 sales to date within Wisteria. The project opened in late October 2020 suggesting an average sales rate within Wisteria of 6.2 homes per month. Aspen Court opened for sale June 26, 2021 with nine sales to date suggesting a sales rate of 7.2 homes per month, also considered excellent. Juniper opened for sale July 24, 2021 with nine homes released and sold in the week it has been opened. Finally, Birch Bend also opened July 24, 2021 and sold five homes within the first week. Per the August 1, 2021 Ryness Report the average sales rate in the Inland Empire year to date is 4.94 homes per month while the average sales rate for the same period of 2020 was 4.16 homes per month. Since May 2020 the new home market has seen renewed optimism in the Inland Empire as more recent sales rates have increased. Supply constraints are slowing absorption as new home neighborhoods sell-out or have temporary sold out as construction can't keep up with demand. While the COVID-19 pandemic has caused a significant disruption to the U.S. economy and the existing home market, it does not seem to have affected the new home housing market in the same way. Furthermore, according to the Inland Empire sales rates, all four subject communities are selling above the averages for the region.

Within Shady Trails, base pricing has seen substantial increases since the master planned community opened. The average base price of Wisteria (opened in fall of 2020) has increased an average of approximately \$100,000, or almost 20 percent. Aspen Court has seen increases from \$7,000 to \$20,000 depending on the plan since opening in late June. Birch Bend has seen a \$5,000 increase per plan since opening approximately one week ago. It does not appear Juniper has had a price increase during the week it has been opened.

### **Summary**

The Inland Empire as a whole, as well as San Bernardino County specifically, has seen a substantial increase in pricing since 2012 with most areas, including the subject, in the past year showing significant double-digit increases. When existing home sales were down, new home sales shot up as the existing home market supply was constrained and interest rates hit all-time lows. In the past year, the Inland Empire market has seen new home sales rates significantly stronger than the previous several years. The subject's pricing and historical average absorption is in line with the comparable communities.

The year 2020 began poised for huge growth however the COVID-19 pandemic shook the existing home market. One positive impact is the new home market became the better option with new home sales growing over the past year, and 2021 providing a rebound with big growth numbers. Sales rates in the immediate vicinity of the subject are generally at or above the overall average in the Inland Empire market area. Prices of new homes in the area have had significant increases with most showing double digit increases year-over-year. Despite uncertainty hitting the economy with the COVID-19 outbreak, most observers agree that the Inland Empire housing market is positive and healthy population growth is occurring in San Bernardino County. It is believed that as population continues to increase, housing growth will also continue.

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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 consists of 32.7 net acres per the recorded Tract Maps. The lands include two, non-contiguous parcels that are irregular in shape and located in the northern portion of the City of Fontana on the east side of Citrus Avenue generally at Knox Avenue. According to the Citrus Heights North Specific Plan (previous name for Shady Hills), the entire Shady Hills includes an approximately 200-acre site which was undeveloped lands with two SCE right of way easements bisecting the site diagonally from the southwest to

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<sup>5</sup> The Appraisal of Real Estate, 11<sup>th</sup> Edition

the northeast corner and from east to west. The Shady Trails community has been planned around the easements and they do not appear to affect the subject property's development potential.

The subject lands were graded for development into 392 single-family units with 102 small conventional lots, 151 single-family detached cluster lots and 139 pads for attached units. We have reviewed a soils report on the subject sites along with an environmental site assessment. The soils report we reviewed concluded that the soils were adequate to support the proposed residential land use; however, all mitigation measures recommended within the reports should be adhered to during construction. The environmental report also concluded that development of the site for residential use was feasible. The site is being developed with small-lot single-family detached homes and attached townhomes. 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 a portion of 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 master planned community. All standard utilities are available to serve the subject property. The site has good access via I-15 via either Summit Avenue, Duncan Canyon Road or Sierra Avenue. There is neighborhood shopping within one mile and regional shopping within 2.5 miles.

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, the subject site is shown as R-PC for Residential Planned Community. In addition, on both the General Plan Land Use Map and the City Zoning Map, the site is shown as Specific Plan 20, which is the Citrus Heights North Specific

Plan (previous name for Shady Trails). Per the Specific Plan, the subject and adjoining surrounding lands were approved for up to a maximum of 1,067 dwelling units on the entire approximate 200 gross acres. The subject property is shown as Planning Areas 13, 14, 16 and 17 within the Specific Plan and has approvals for up to 392 residential units with recorded maps and site plans on the parcels having approvals for 392 residential units. An SCE easement adjoins portions of the subject. The SCE easement is going to be incorporated into the community with a park and open space to serve the community. In addition to the Specific Plan entitlements, the subject is covered by recorded Tract Maps 17039, 17039-1 and 17041 which subdivide the subject property into large lots with approvals for 253 single-family detached lots and 139 attached units.

While two of the subject tracts rear to Edison easements, the easements are being incorporated into the community and, based on sales, do not appear to hinder development of the site.

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. The subject site would possibly be residential per the above analyses. As discussed under the Inland Empire Housing Market section earlier within this report, the market has been on an upswing for almost a decade with strong increases in sales and pricing, a slowdown in late 2018 and increases since mid-2019. The past year has seen very strong absorption of new homes in the area. The subject property is located in North Fontana with several new home communities now selling with good to excellent sales rates, suggesting that residential lands in the immediate area are feasible to develop. The COVID-19 pandemic does not appear to have negatively affected new home sales in the Inland Empire, but rather appears to have increased absorption and pricing of new homes in the area.

Based on the above analysis, the highest and best use for the subject property appears to be for single-family residential development with homes at the right price points. This coincides with the previous conclusions. Based on the above analysis, in our opinion, the highest and best use for the subject property appears to be for residential land use.

### **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 four communities within the Shady Trails master plan (Wisteria, Aspen Court, Juniper and Birch Bend) consisting of 392 proposed homes. All four communities are open for sale. The homes are being developed by Richmond American (Wisteria), Taylor Morrison (Aspen Court), PLC Communities (Juniper), and Birch Bend (TriPointe Homes) with homes ranging in size from 1,311 to 2440 square feet. Wisteria opened in October 2020 and has had up to \$100,000 increases in base pricing and has sold 56 homes suggesting an average sales rate of 6.2 homes per month. Aspen Court opened for sale June 26, 2021 and has sold nine homes suggesting a sales rate of 7.2 homes per month. Juniper and Birch Bend opened for sale July 24, 2021 and Juniper has sold nine homes while Birch Bend has sold five of the six homes released. All sales rates are considered to be exceptional. Builders are temporarily selling out of homes, typically within each phase, at this time. All of the homes are of good design and appear to be of good quality workmanship. It appears that the subject properties within Shady Trails have been well received and the neighborhoods are 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 single-family lots, the lots are typically sold on a finished lot basis for both conventional lots and for cluster or alley loaded lots, as well as a finished pad for a townhome unit. That is, the sales price is determined by a finished lot or pad value and then the remaining costs to develop the lands 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. In the case of the existing home valuations, a single new-home sale 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.

The valuation will be presented as follows. First, a discussion of the small lot and attached land sales will be given. Each of the comparable market data (on a finished lot basis) will be detailed along with a comparison discussion of their relationship to the subject high-density product on a finished unit basis. The remaining construction costs, if any, will be taken into consideration followed by a finished lot/unit value conclusion for the higher density land communities. Houses which are under construction (under 95 percent complete) will be valued on the basis of a finished lot rather than attributing value to a partially complete improvement.

In the case of the completed (over 95 percent complete) builder-owned models and production units, the homes will be valued using the Sales Comparison Approach to value to conclude on a retail value for each plan. This will be followed by a Discounted Cash Flow ("DCF") Analysis due to the single ownership of multiple homes. 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. All of the value conclusions will take into consideration improvements funded by the Fontana CFD No. 31 special tax bonds and their lien. A summary of the final value conclusions will be reported at the end of this valuation section.

### **FONTANA CFD NO. 31 LAND VALUATION ANALYSES**

Within the subject property there are a total of 392 proposed residential units ten units closed to date. There are 16 model homes and 18 production homes over 95 percent complete, 78 homes under construction and 270 finished lots/pads.

### **Market Data Discussion**

Within Fontana CFD No. 31, Wisteria consists of conventional small lots, Aspen Court consist of a detached courtyard product, Juniper consists of detached bungalows and a single flat over garages while Birch Bend is attached townhomes. As mentioned, in this appraisal, we will consider a house under construction (under 95 percent complete) as a finished lot/pad rather than attribute value to a partially complete improvement; therefore, we will value the homes under construction (under 95 percent complete) and the remaining lands as finished lots and/or pads. Within Wisteria there are 23 homes over 95 percent complete (10 individually owned, three models and 10 production homes), 31 homes under construction and 48 remaining lots, thus 79 lots will be valued. Within Aspen Court there are 12 homes over 95 percent complete (including four models and eight production homes), 16 additional homes under construction and 32 remaining pads, thus we will value 48 cluster lots will be valued. Within Juniper there are three models and a sales office complete, nine units under construction and 78 remaining pads, thus 87 bungalow lots will be valued. Within Birch Bend there are five completed model homes, 22 units under construction and 112 remaining building pads, thus 134 building pads will be valued. We will conclude on a finished lot/pad value, taking into consideration the remaining costs to develop the lots to a true, finished lot/pad condition.



We have searched the area and found the seven transactions summarized in the Addenda to be most comparable to the subject small lots, detached cluster lots and attached units of the subject property. The sales are reported both on a purchase price basis (when available) and on a finished lot basis (when available). 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,” they are typically physically finished lots with some fees remaining to be paid to be considered true finished lots. 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 Nos. 1 and 2** refer to two current escrows in North Fontana with Land Sale No. 1 adjacent to the subject property at the northwest corner of Citrus and Summit Avenues while the other is across Citrus Avenue at the northeast corner of the intersection. Both are currently zoned for community commercial use however the zoning is in the process of being changed to allow the proposed residential land use. Land Sale No. 1 refers to the 9-acre site located at the northwest corner of Citrus and Summit which the subject property (Aspen Court and Birch Bend) wraps around. The site is within the North Citrus Heights Specific Plan, however not included in Fontana CFD No. 31. The property is in escrow for 84 6-pack cluster lots. The reported finished lot price for the 84 lots is \$215,000 and the overall density is 9.3 dwelling units per acre. This escrow is due to close in December 2022, once all entitlements are received. Data No. 2 refers to the site across Citrus Avenue from Data No. 1. This site is also currently zoned for community commercial, however is not located within a Specific Plan. This site contains 9.22 acres and will house 75 condominium detached lots. It is also anticipated to close in December 2022, once all entitlements are received. It is in escrow based on a reported finished lot price of \$220,000 with an overall density of 8.1 dwelling units per acre. The proposed product is for the continuation of a successful product with 6-8 cluster pack detached homes. Due to the escrow status, we are keeping the buyer for both Land Sale No. 1 and 2 confidential in our files. Per the buyer, the escrows were signed in January 2021, over four months ago. These two escrows are considered superior due to their escrow status

(not closed sales) however inferior due to location (intersection of busy streets and due to minimal amenities compared with the Shady Trails amenities.

**Land Sale No. 3** refers to Lennar purchasing 194 detached lots/units from The Stratham Group in May 2021. The 194 lots/units include 94 detached alley-load units and 100 attached townhome units with an overall density of 13 dwelling units per acre. The land is located about two miles southwest of the subject property near Beech Avenue and South Highland Avenue intersection in the City of Fontana. This site rears to I-210. The land was purchased in an unimproved condition with final engineering in process for \$16,500,000 or \$85,052 per lot, based on a reported blended finished lot price of \$155,000. This community is not yet open, and the home sizing and pricing have not yet been released. In comparison to the subject property, the site is considered significantly inferior due to its location along the 210 freeway and its lack of master-planned amenities.

**Land Sale No. 4** pertains to the purchase of 155 lots by D.R. Horton for their Mountainview community. The lands are located within a mile to the northwest of Wisteria (subject property) in North Fontana. The lots have a minimum lot size of 5,000 square feet. D.R. Horton purchased the site from Lewis Group of Companies for \$13,601,000 which equates to \$87,748 per lot based on a reported finished lot price of \$221,500. The sale closed in March 2021 however the transaction was struck about 18 months ago. The lands were in an unimproved condition at time of sale with a tentative tract map. D.R. Horton processed engineering on the site during escrow. In comparison to the subject properties, this site is considered to be slightly inferior in location (not on a main street) and inferior in amenities as they will have a tot lot and will be gated, however no social clubs as Shady Trails has. In addition, this sale is considered to be inferior due to the date of negotiation which was about 18 months ago, prior to a significant amount of appreciation in the subject marketplace. The lot size is significantly larger than the subject communities, making it superior in this aspect.

**Land Sale No. 5** refers to TriPointe Homes purchasing 193 detached small lot homesites from The Stratham Group in December 2020. The 193 lots include 82 detached alley-

load units and 111 detached cluster units with an overall density of 11 dwelling units per acre. The land is located about four miles southwest of the subject property near the Interstate 15 and Victoria Street intersection in the City of Fontana. The land was purchased in an unimproved condition with final engineering in process for \$25,315,500 or \$131,168 per lot, based on a reported blended finished lot price of \$215,000. This community is not yet open, and the home sizing and pricing have not yet been released. Victoria Street will have some amenities, but there will be fewer and smaller amenities compared to the subject property. In comparison to the subject property, the site is slightly inferior in location (within the shadow of I-15) and inferior amenities.

**Land Sale No. 6** refers to Lennar purchasing 198 detached small lot homesites from the Tsai Family Trust (through an assignment of a purchase agreement that NewBridge Homes had with the Tsai Family Trust) in November 2020. The 198 lots include 93 8-pack detached alley-load units and 105 8-pack detached cluster units with an overall density of 10 dwelling units per acre. The land is located about one mile north of the subject property near the Duncan Canyon Road and Citrus Avenue intersection. The land was purchased in unimproved condition with an approved tentative tract map for \$17,500,000 or \$88,384 per lot, based on a reported blended finished lot price of \$183,000. This community, to be known as Monterado, is not yet open, and the home sizing and pricing have not yet been released. Monterado will have some amenities, but there will be fewer and smaller amenities compared to the subject property. In comparison to the subject property, the site is inferior due to its lack of master-planned amenities.

**Land Sale No. 7** refers to D.R. Horton purchasing 95 small conventional single-family detached lots from Kaeding Limited Partnership in October 2020. The minimum lot size is approximately 2,600 square feet. The land is located within the Providence Pointe Specific Plan, located about three miles south of the subject property near the Baseline Avenue and Citrus Avenue intersection. The land was purchased in unimproved condition with final engineering in process for \$5,600,000 or \$58,947 per lot, based upon a reported finished lot price of \$182,000. Encore is located within the Providence Pointe Specific Plan, but there are no major master-planned amenities except for a small, centralized

recreation center and pool. The land was originally planned for a commercial / retail center but was re-entitled by D.R. Horton for residential use. Encore is a private gated community with the above-mentioned community pool and recreation center, but it has fewer and smaller amenities compared to the subject property. In comparison to the subject property, the site is an inferior due to its location south State Route 210 and being located at the corner of well-trafficked thoroughfares along with D.R. Horton obtaining the rezoning and entitlements. It is also considered inferior due to its lack of master-planned amenities. The chart below summarizes the considerations used in adjusting the market data to the subject property.

Data No.	Location	Date of Sale	Lot Size	Finished Lot Price	Comparison to Subject
1	North Fontana	Cur. Esc.	9.3 du/ac	\$215,000	Superior – Escrow (not closed) Inferior in Amenities and Location
2	North Fontana	Cur. Esc.	8.1 du/ac	\$220,000	Superior – Escrow (not closed) Inferior Amenities and Location
3	North Fontana	05 / 21	13 du/ac	\$155,000	Inferior – Location (rears to freeway) and, Lack of Master-planned Amenities
4	North Fontana	03 / 21	5,000	\$221,500	Inferior – Location, Amenities and Date of Sale Superior – Lot Size
5	North Fontana	12 / 20	11 du/ac (blended)	\$215,000 (blended)	Inferior – Location, Lack of Master-Planned Amenities
6	North Fontana	11 / 20	10 du/ac (blended)	\$183,000 (blended)	Inferior – Lack of Master-Planned Amenities
7	Fontana	10 / 20	2,600	\$182,000	Inferior – Location, Lack of Master-Planned Amenities, Condiiton

The market data depicts a wide range of overall finished lot price range from \$155,000 to \$221,500. Land Sale No. 3, at the lowest end of the range, refers to the highest density comparable of attached townhomes and motor court cluster units located at an inferior location which rears to the I-210 Freeway. The remainder of the market data has a range from \$182,000 to \$221,500. Data Nos. 1 and 2 are current escrows which are not anticipated to close until the end of 2022 which is considered to be superior as they are not closed sales at this time, thus the buyer may drop out of the escrow. Market Data Nos. 5, 6 and 7 have a finished lot price range from \$182,000 to \$215,000 for attached and unconventional detached units. Data No. 4 is for lots that are larger than the subject property, however is considered to be inferior in location, amenities and date of

negotiation. With the exception of Data Nos. 1 and 2 (current escrows) and Data No. 3, the sales prices of the market data were all agreed upon in early to mid-2020, prior to a significant amount of appreciation in the marketplace. The subject lots/pads have a density range from 14.2 dwelling units per acre for the attached product within Birch Bend down to 6.9 dwelling units per acre for the detached small conventional lots in Wisteria. Based on the market data, we have concluded that the conventional small detached lots within Wisteria (overall density of 6.9 dwelling units per acre) have a current market value of \$225,000; the cluster detached lots within Aspen Court (overall density of 12 dwelling units per acre) have a finished unit value of \$190,000, the cluster lots within Juniper (overall density of 13.7 dwelling units per acre) have a finished unit value of \$180,000; and, the attached units within Birch Bend (overall density of 14.2 dwelling units per acre) have a finished pad value of \$165,000.

The valuation for each neighborhood's lots/pads will be within each community's valuation section below.

### **FONTANA CFD NO. 31 – HOUSE VALUATION ANALYSES**

Within Shady Trails, there are ten individually owned homes, 16 models and 18 production homes over 95 percent complete owned by the builders. The builder-owned homes over 95 percent complete include three models and ten production homes within Wisteria; four models and eight production homes within Aspen Court; three models and a sales office within Juniper and five models within Birch Bend. Below is a valuation section for each neighborhood which includes a summary of the various floor plans, a valuation analysis on each plan using comparable data, a discounted cash flow for the bulk-ownership of the builder-owned homes, and the concluded land valuation followed by a minimum market valuation for the individual owned homes based on the concluded value for each plan. A listing of the improved residential comparable properties is located in the Addenda of this report.

### **Fontana CFD No. 31 Valuation – Wisteria**

Wisteria consists of 102 proposed single-family detached homes on minimum 2,800 square foot lots in a conventional lot configuration. There are ten individually owned

homes, three completed models and ten production homes over 95 percent complete (all in escrow) owned by the builder, and 79 lots (31 with homes under construction, all of which are in escrow). Below is a table showing the break-out of the plans and ownership followed by the valuation for the various plans within Wisteria.

Plan	Bd/Ba	Floors/ Parking	Sq. Ft.	Ind. Owned	Bldr. Owned
1	3 / 2.5	2 / 2	2,210	3	4*
2	3 / 2.5	2 / 2	2,350	4	5*
3	3 / 2.5	2 / 2	2,440	3	4*
Total				<b>10</b>	<b>13</b>

In addition to the above homes, there are 31 homes under construction and 48 lots.

The most appropriate new home comparable data for Wisteria Plan 1 are shown below.

Data	Plan	Rm. Ct.	Firs/Pkg.	Sq. Ft.	Price/SF
Subj	1	3 / 2.5	2 / 2	2,210	--
1	2	3 / 2.5	2 / 2	2,350	\$264.68
2	4	4 / 3	2 / 2	1,989	\$287.58
5	2	4 / 3	2 / 2	2,205	\$302.56
7	2	4 / 3	2 / 2	2,152	\$294.70
7	3	4 / 3	2 / 2	2,388	\$267.96
8	4	3 / 2.5	2 / 2	2,153	\$279.61
9	3	4 / 3	2 / 2	2,043	\$303.48
12	3	4 / 3	2 / 2	2,239	\$306.38

The subject market includes comparable product all located within Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, stories, lot size, attached versus detached, view potential, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space, and other amenities. The comparable new home sales have base prices ranging from \$264.68 to \$306.38 per square foot with generally the largest homes at the low end of the price per square foot range. This is due to the economies of scale obtained during construction. There has been significant appreciation in the subject market in the past few months due to the demand for new homes in the Inland Empire. The base asking price for a Wisteria Plan 1 is \$274.66 per square foot. There have been three closings of Wisteria Plan 1 with prices ranging from \$224.32 to \$251.37 per square foot with the contract dates all in late 2020.

There are 13 current escrows of a Wisteria Plan 1 with a sales price range of \$225.02 to \$311.18 per square foot with sales occurring between December 2020 and July 2021. When reviewing the closed sales versus escrows, you can see the appreciation over time based on date of sale. It should be noted the reported sales prices include premiums and options purchased by the buyer as well as concessions, if any, given by the builder.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan 1 has a base current market value of \$272.00 per square foot. This calculates as follows:

$$2,210 \text{ sf} \times \$272.00 = \$601,120$$

The most appropriate new home comparable data for Wisteria Plan 2 are:

<b>Data</b>	<b>Plan</b>	<b>Rm. Ct.</b>	<b>Flrs/Pkg.</b>	<b>Sq. Ft.</b>	<b>Price/SF</b>
Subj	2	3 / 2.5	2 / 2	2,350	--
1	3	3 / 2.5	2 / 2	2,440	\$258.19
2	4	4 / 3	2 / 2	1,989	\$287.58
5	2	4 / 3	2 / 2	2,205	\$302.56
5	3	4 / 3	2 / 2	2,439	\$282.37
7	3	4 / 3	2 / 2	2,388	\$267.96
8	4	3 / 2.5	2 / 2	2,153	\$279.61
8	5	4 / 3	2 / 2	2,436	\$268.47
12	3	4 / 3	2 / 2	2,239	\$306.38
12	4	4 / 3.5	2 / 2	2,537	\$273.55

The subject market includes comparable product all located within Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, stories, lot size, attached versus detached, view potential, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from \$258.19 to \$306.38 per square foot with the larger homes generally at the lower end of the range. This is due to the economies of scale obtained during construction. There has been significant appreciation in the subject market in the past few months due to the demand for new homes in the Inland Empire. The base asking price for Wisteria Plan 2 is \$264.68 per square foot. There have been four closings of Wisteria with a sales price range from \$219.20 to \$242.11. There are

19 current escrows of Wisteria Plan 2 with a sales price range of \$223.25 to \$312.09 per square foot. It should be noted that the low end of the range was sold in December 2020. When reviewing the closed sales versus escrows, you can see the appreciation in the marketplace. The reported sales prices include premiums and options purchased by the buyer as well as concessions, if any, given by the builder.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan 2 has a base current market value of \$262.00 per square foot. This calculates as follows:

$$2,350 \text{ sf} \times \$262.00 = \$615,700$$

The most appropriate new home comparable data for Wisteria Plan 3 are:

<b>Data</b>	<b>Plan</b>	<b>Rm. Ct.</b>	<b>Firs/Pkg.</b>	<b>Sq. Ft.</b>	<b>Price/SF</b>
Subj	3	3 / 2.5	2 / 2	2,440	--
1	2	3 / 2.5	2 / 2	2,350	\$264.68
5	2	4 / 3	2 / 2	2,205	\$302.56
5	3	4 / 3	2 / 2	2,439	\$282.37
7	3	4 / 3	2 / 2	2,388	\$267.96
8	5	4 / 3	2 / 2	2,436	\$268.47
12	3	4 / 3	2 / 2	2,239	\$306.38
12	4	4 / 3	2 / 2	2,537	\$273.56

The subject market includes comparable product all located within Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, stories, lot size, attached versus detached, view potential, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from \$264.68 to \$306.38 per square foot. There has been significant appreciation in the subject market in the past few months due to the demand for new homes in the Inland Empire. The base asking price for Wisteria Plan 3 is \$258.19 per square foot. There have been three closings of Wisteria Plan 3 with a sales price range from \$226.92 to \$238.11. There are 14 current escrows of Wisteria Plan 3 with a sales price range of \$217.90 (sold in December 2020) to \$299.51 per square foot. The escrow sales prices versus the closed sales prices shows the recent appreciation



in the subject marketplace. It should be noted the reported sales prices include premiums and options purchased by the buyer as well as concessions, if any, given by the builder.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan 3 has a base current market value of \$255.00 per square foot.

This calculates as follows:

$$2,440 \text{ sf} \times \$255.00 = \$622,200$$

#### Builder Owned Retail Value – Wisteria

Within the subject property, there are three builder-owned model homes and ten production homes over 95 percent complete. Per interviews with builders, upgrades and landscape/hardscape of over \$100,000 are installed in subject-like 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. The retail base value conclusions for the builder-owned homes are calculated as follows:

##### Wisteria

Plan 1 (4 x \$601,120)	\$ 2,404,480
Plan 2 (5 x \$615,700)	3,078,500
Plan 3 (4 x \$622,200)	2,488,800
Model Upgrades (3 x \$50,000)	<u>150,000</u>
Retail Value Builder-Owned	<u>\$ 8,121,780</u>

#### Absorption Period

Within Wisteria, the absorption rate is 6.2 homes per month. The ten production homes are all in escrow and due to close in the next month. The three model homes have not been released for sales. We have concluded that the subject 13 houses will be absorbed over a two-month period.

#### Remaining Costs

As discussed under the remaining costs section earlier within this report there is an average of \$38,320.46 in remaining land development costs associated with each lot/unit.

For the 13 builder-owned homes, this equates to \$498,166 in remaining land development costs. The fees have all been paid on the existing homes. We are assuming that the costs will be spread evenly over the two months absorption period in our analysis.

### 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. Six percent has been estimated for marketing expenses and two percent for general and administrative costs for a total of eight 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 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. As the market improved, so did the profits. 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 Fontana 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 the subject property appear to be well constructed and have been selling at a good absorption rate. Even with the COVID pandemic, new home sales are continuing at a very good rate. Due to these factors, coupled with the amount of product remaining, a ten percent discount rate is considered appropriate for this analysis.

### Discounted Cash Flow Summary

The discounted revenue for Wisteria (see DCF Analysis in Addenda) for the builder owned homes is **\$6,085,519**.

### Richmond American Ownership Valuation Total – Wisteria

Richmond American Homes owns 79 lots, 31 with homes under construction. For purposes of this appraisal, we are valuing a home under construction on the basis of a finished lot rather than attribute value to a partially complete improvement. As earlier concluded the lots have a finished lot value of \$225,000, however there are remaining costs associated with the builder-owned property. As discussed above, the remaining costs equate to \$35,147.65 per lot/unit for the remaining land development costs. In addition, there are remaining fees of \$1,323,522. The final value conclusion for the 79, builder-owned lots is calculated as follows:

79 Lots x \$225,000	\$17,775,000
Less: Remaining Costs (\$38,320.46 x 79)	( 3,027,316)
Remaining Fees	<u>( 1,323,522)</u>
Wisteria Land Value	\$13,424,162
Builder-Owned Houses Value	<u>\$ 6,085,519</u>
<b>Total Richmond American Ownership Value</b>	<b><u>\$19,509,681</u></b>

### Wisteria - Individual Owners Value Conclusion

In determining the value for the individually owned homes, we have considered the concluded base price value for the homes which is considered a minimum market value. This is due to homebuyers typically purchasing some upgrades and options or paying some premiums. Within Wisteria there are ten individually owned homes. The concluded values are shown below:

Plan 1 (3 x \$601,120)	\$ 1,803,360
Plan 2 (4 x \$615,700)	2,462,800
Plan 3 (3 x \$622,200)	<u>1,866,600</u>
<b>Total Wisteria Individual Ownership</b>	<b><u>\$ 6,132,760</u></b>

In an additional analysis, we have reviewed the actual builder sales prices for the homes within Wisteria. Sales occurred between November 1, 2020 and December 27, 2020 with

closings beginning in July 2021. The builder reported closing prices for the ten individually owned homes totals \$5,477,790. The actual sales prices include any upgrades, premiums or options purchased by the homeowner along with concessions given by the builder while our concluded value is for the base value of the homes plus the unobstructed view premiums. The actual sales prices are 10.7 percent below the concluded base prices. This difference is due to two offsetting factors. While the options, upgrades and premiums which were purchased which would typically increase the actual home prices well over the base value, the appreciation in the home prices is offsetting this difference. Within Wisteria the base pricing has risen between 23.4 and 26.7 percent on each plan or the plans have increased at minimum \$115,000 up to \$133,000. This significant amount of appreciation since November 2020 is taken into consideration in the subject's valuation and, it is our opinion that this further substantiates the concluded minimum market values for the Wisteria individually owned homes.

#### **Fontana CFD No. 31 Valuation – Aspen Court**

Aspen Court consists of 60 proposed single-family detached homes in a Courtyard Cluster configuration. There are four completed houses (all models) and eight production homes over 95 percent complete. In addition, there are 16 homes under construction and 32 finished lots. The homes under construction will be valued as a finished lot rather than attribute value to a partially complete improvement. Below is a table showing the break-out of the plans and ownership followed by the valuation for the various plans within Aspen Court.

Plan	Room Count	Floors/ Parking	Sq. Ft.	Completed Ind. Owned	95% Complete Bldr. Owned
Aspen Court					
1	3 / 2.5	2 / 2	1,665	0	3*
2	3 / 2.5	2 / 2	1,759	0	4*
3	4 / 2.5	2 / 2	1,891	0	2*
4	4 / 3	2 / 2	1,989	0	3*
Aspen Court Total				0	12

The most appropriate new home comparable data for Aspen Court Plan 1 are:

<b>Data</b>	<b>Plan</b>	<b>Rm. Ct.</b>	<b>Firs/Pkg.</b>	<b>Sq. Ft.</b>	<b>Price/SF</b>
Subj	1	3 / 2.5	2 / 2	1,665	--
2	2	3 / 2.5	2 / 2	1,759	\$312.68
6	1	3 / 2.5	2 / 2	1,578	\$356.72
6	2	3 / 2.5	2 / 2	1,715	\$341.22
8	1	3 / 2.5	2 / 2	1,872	\$310.89
9	1	3 / 2.5	2 / 2	1,642	\$344.70

The subject market includes comparable product all located within Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, stories, lot size, attached versus detached, view potential, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from \$312.68 to \$356.72 per square foot with generally the smaller sized homes at the high end of the range and the larger sized homes at the low end of the range. This is due to the economies of scale obtained during construction. There has been significant appreciation in the subject market in the past few months due to the demand for new homes in the Inland Empire. Aspen Court has a base asking price for Plan 1 of \$314.11 per square foot. There are no closed sales within Aspen however there are three current escrows with a sales price range from \$325.95 to \$332.66 per square foot. The sales prices take into consideration any upgrades, options or premiums paid by the buyer while the base values do not.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan 1 has a base current market value of \$310.00 per square foot. This calculates as follows:

$$1,665 \text{ sf} \times \$310.00 = \$516,150$$

The most appropriate new home comparable data for Aspen Court Plan 2 are:

<b>Data</b>	<b>Plan</b>	<b>Rm. Ct.</b>	<b>Flrs/Pkg.</b>	<b>Sq. Ft.</b>	<b>Price/SF</b>
Subj.	2	3 / 2.5	2 / 2	1,759	--
2	1	3 / 2.5	2 / 2	1,665	\$314.11
2	3	4 / 2.5	2 / 2	1,891	\$296.67
6	2	3 / 2.5	2 / 2	1,715	\$341.22
6	3	4 / 3	2 / 2	1,790	\$330.28
6	4	4 / 3.5	2 / 2	1,801	\$329.15
7	1	3 / 2.5	2 / 2	1,916	\$316.13
8	1	3 / 2.5	2 / 2	1,872	\$310.89
9	1	3 / 2.5	2 / 2	1,642	\$344.70
9	2	4 / 2.5	2 / 2	1,872	\$318.38

The subject market includes comparable product all located within Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, stories, lot size, attached versus detached, view potential, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from \$296.67 to \$344.70 per square foot with generally the lower end of the range for the larger sized homes and the higher end of the range for the smaller sized homes. This is due to the economies of scale obtained during construction. There has been significant appreciation in the subject market in the past few months due to the demand for new homes in the Inland Empire. The base asking price for an Aspen Court Plan 2 is \$312.68. There are no closed homes however there are four escrows with a sales price range from \$320.37 to \$325.57 per square foot. The sales prices take into consideration any upgrades, options or premiums paid by the buyer while the base values do not.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan 2 has a base current market value of \$305.00 per square foot. This calculates as follows:

$$1,759 \text{ sf} \times \$305.00 = \$536,495$$

The most appropriate new home comparable data for Aspen Court Plan 3 are:

<b>Data</b>	<b>Plan</b>	<b>Rm. Ct.</b>	<b>Firs/Pkg.</b>	<b>Sq. Ft.</b>	<b>Price/SF</b>
Subj	3	4 / 2.5	2 / 2	1,891	--
2	2	3 / 2.5	2 / 2	1,759	\$312.68
2	4	4 / 3	2 / 2	1,989	\$287.58
6	4	4 / 3.5	2 / 2	1,801	\$329.15
7	1	3 / 2.5	2 / 2	1,916	\$316.13
8	1	3 / 2.5	2 / 2	1,872	\$310.89
9	2	4 / 2.5	2 / 2	1,872	\$318.38

The subject market includes comparable product all located within Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, stories, lot size, attached versus detached, view potential, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from \$287.58 to \$329.15 per square foot with generally the larger sized homes at the low end of the range and the smaller sized homes at the higher end of the range. This is due to the economies of scale which are obtained during construction. The base asking price for an Aspen Court Plan 3 is \$296.67 per square foot. There are no closed homes of Plan 3 at this time however there are two current escrows with a sales price range from \$312.05 to \$315.18 per square foot. The sales prices take into consideration any upgrades, options or premiums paid by the buyer while the base values do not.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan 3 has a base current market value of \$290.00 per square foot. This calculates as follows:

$$1,891 \text{ sf} \times \$290.00 = \$548,390$$

The most appropriate new home comparable data for Aspen Court Plan 4 are:

Data	Plan	Rm. Ct.	Firs/Pkg.	Sq. Ft.	Price/SF
2	4	4 / 3	2 / 2	1,989	--
2	3	4 / 2.5	2 / 2	1,891	\$296.67
6	4	4 / 3.5	2 / 2	1,801	\$329.15
7	1	3 / 2.5	2 / 2	1,916	\$316.13
7	2	4 / 3	2 / 2	2,152	\$294.90
8	1	3 / 2.5	2 / 2	1,872	\$310.89
8	2	3 / 2.5	2 / 2	2,051	\$290.59
9	2	4 / 2.5	2 / 2	1,872	\$318.38
9	3	4 / 3	2 / 2	2,043	\$303.48

The subject market includes comparable product all located within Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, stories, lot size, attached versus detached, view potential, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from \$290.59 to \$329.15 per square foot with generally the higher end of the range for smaller sized homes and the lower end of the range for larger sized homes. This is due to the economies of scale obtained during construction. Aspen Court Plan 4 has a current base price of \$287.58 per square foot. There are no closed homes within Aspen Court however there are two Plan 4 escrows with a sales price range from \$307.83 to \$309.35 per square foot. The sales prices take into consideration any upgrades, options or premiums paid by the buyer while the base values do not.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan 4 has a base current market value of \$282.00 per square foot. This calculates as follows:

$$1,989 \text{ sf} \times \$282.00 = \$560,898$$

#### Builder Owned Retail Value – Aspen Court

Within the subject property, there are 12 builder-owned homes, four models and eight production homes over 95 percent complete (seven in escrow). Per interviews with builders, upgrades and landscape/hardscape of over \$100,000 are installed in subject-like 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. The retail base value conclusions for the builder-owned homes are calculated as follows:

Aspen Court:

Plan 1 (3 x \$516,150)	\$ 1,548,450
Plan 2 (4 x \$536,495)	2,145,980
Plan 3 (2 x \$548,390)	1,096,780
Plan 4 (3 x \$560,898)	1,682,694
Model Upgrades (4 x \$50,000)	<u>200,000</u>
Retail Value Builder-Owned	<u>\$ 6,673,904</u>

Absorption Period

Aspen Court has an average sales rate of 7.2 homes per month since opening in June. Out of the subject 12 homes, seven are in escrow and due to close upon completion. Based on the sales rates within the subject market area which range from 3.7 to 6.9 sales per month, we have estimated the subject 12 homes would be absorbed within a two-month time period.

Remaining Costs

As discussed under the remaining costs section earlier within this report, there are \$41,933.33 in remaining land development costs and fees associated with each lot. For the 12 builder-owned homes, this equates to \$503,200 in remaining costs. We are assuming that the costs will be spent evenly over the two-month absorption period in our analysis.

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. Six percent has been

estimated for marketing expenses and two percent for general and administrative costs for a total of eight 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 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. As the market improved, so did the profits. 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 Fontana 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 the subject property appear to be well constructed and have been selling at a good absorption rate. Even with the COVID pandemic, new home sales are continuing at a very good rate. Due to these factors, coupled with the amount of product remaining, a ten percent discount rate is considered appropriate for this analysis.

### Discounted Cash Flow Summary

The discounted revenue for Aspen Court (see DCF Analysis in Addenda) for the builder-owned homes is **\$4,907,967.**

### **Taylor Morrison Ownership Valuation Total – Aspen Court**

Taylor Morrison owns 48 lots, 16 with homes under construction. For purposes of this appraisal, we are valuing a home under construction on the basis of a finished lot rather

than attribute value to a partially complete improvement. As earlier concluded the lots have a finished lot value of \$190,000, however there are remaining costs associated with the builder-owned property. As discussed above, the remaining costs equate to \$41,933.33 per lot/unit for the remaining land development costs and fees. The final value conclusion for the 48, builder-owned lots is calculated as follows:

48 Lots x \$190,000	\$ 9,120,000
Less: Remaining Costs (\$41,933.33 x 48)	( 2,012,800)
Aspen Court Land Value	\$ 7,107,200
Builder-Owned Houses Value	\$ 4,907,967
<b>Total Taylor Morrison Ownership Value</b>	<b><u>\$12,015,167</u></b>

### **Fontana CFD No. 31 Valuation – Juniper by PLC Communities**

Juniper consists of 91 proposed detached condos, with one plan being a single-story up over garage unit. There are four completed homes, one which is being used as a sales office and three models. There are nine homes under construction and 78 finished lots. Below is a table showing the break-out of the plans and ownership followed by the valuation for the various plans within Juniper.

Plan	Room Count	Floors/ Parking	Sq. Ft.	Completed Ind. Owned	95% Complete Bldr. Owned
Juniper					
1	3 / 2	2 / 2	1,477	0	1*
2	4 / 3	2 / 2	1,592	0	1*
3	4 / 3	2 / 2	1,611	0	2*
Juniper Subtotal				<b>0</b>	<b>4</b>

One of each plan is a model home. In addition, there are nine homes under construction and 78 remaining lots/pads.

The most appropriate new home comparable data for Juniper Plan 1 are:

Data	Plan	Rm. Ct.	Fllrs/Pkg.	Sq. Ft.	Price/SF
Subj	1	3 / 2	1 / 2	1,477	--
2	1	3 / 2.5	2 / 2	1,665	\$314.11
3	2	4 / 3	2 / 2	1,592	\$326.57
4	1	2 / 2	1 / 2	1,309	\$335.07
6	1	3 / 2.5	2 / 2	1,578	\$356.72
9	1	3 / 2.5	2 / 2	1,642	\$344.70
10	2	3 / 2.5	2 / 2	1,408	\$329.90
11	1	1 / 1.5	1 / 1	849	\$456.01
12	1	3 / 2	1 / 2	1,576	\$388.96

The subject home is a single-story home up over three garages within the courtyard. While it is not attached to another home, it is attached to several garages. The market includes comparable product all located within Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, stories, lot size, attached versus detached, view potential, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from \$314.11 to \$456.01 per square foot with the smallest sized home at the high end of the range and generally the larger sized homes or attached product at the low end of the range. This is due to the economies of scale obtained during construction. There has been significant appreciation in the subject market in the past few months due to the demand for new homes in the Inland Empire. Juniper has a base asking price for the Plan 1 of \$328.30 per square foot. There are no closed sales within Juniper however there are three current escrows with a sales price of \$324.92. No options have been included in the escrow prices as the sales are just a week old.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan 1 has a base current market value of \$320.00 per square foot. This calculates as follows:

$$1,477 \text{ sf} \times \$320.00 = \$472,640$$

The most appropriate new home comparable data for Juniper Plan 2 are:

<b>Data</b>	<b>Plan</b>	<b>Rm. Ct.</b>	<b>Flrs/Pkg.</b>	<b>Sq. Ft.</b>	<b>Price/SF</b>
Subj.	2	4 / 3	2 / 2	1,592	--
2	1	3 / 2.5	2 / 2	1,665	\$314.11
2	2	3 / 2.5	2 / 2	1,759	\$312.68
3	1	3 / 2	1 / 2	1,477	\$328.30
3	3	4 / 3	2 / 2	1,611	\$323.96
4	2	3 / 2.5	2 / 2	1,556	\$303.34
6	1	3 / 2.5	2 / 2	1,578	\$356.72
9	1	3 / 2.5	2 / 2	1,642	\$344.70
11	4	3 / 2.5	2 / 2	1,652	\$321.52

The subject market includes comparable product all located within Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location,

stories, lot size, attached versus detached, view potential, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from \$303.34 to \$356.72 per square foot with generally the lower end of the range for the larger sized homes or attached product and the higher end of the range for the smaller sized homes. This is due to the economies of scale obtained during construction. There has been significant appreciation in the subject market in the past few months due to the demand for new homes in the Inland Empire. The base asking price for a Juniper Plan 2 is \$326.57. There are no closed homes however there are three escrows with a sales price range from \$323.43 to \$325.31 per square foot. The sales prices do not reflect any options as they have not been purchased due to the sales being only a week old.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan 2 has a base current market value of \$320.00 per square foot. This calculates as follows:

$$1,592 \text{ sf} \times \$320.00 = \$509,440$$

The most appropriate new home comparable data for Juniper Plan 3 are:

<b>Data</b>	<b>Plan</b>	<b>Rm. Ct.</b>	<b>Flrs/Pkg.</b>	<b>Sq. Ft.</b>	<b>Price/SF</b>
Subj	3	4 / 3	2 / 2	1,611	--
2	1	3 / 2.5	2 / 2	1,665	\$314.11
2	2	3 / 2.5	2 / 2	1,759	\$312.68
3	2	4 / 3	2 / 2	1,592	\$326.57
4	2	3 / 2.5	2 / 2	1,556	\$303.34
4	3	3 / 2.5	2 / 2	1,604	\$304.86
6	1	3 / 2.5	2 / 2	1,578	\$356.72
6	2	3 / 2.5	2 / 2	1,715	\$341.22
9	1	3 / 2.5	2 / 2	1,642	\$344.70
11	4	3 / 2.5	2 / 2	1,652	\$321.52

The subject market includes comparable product all located within Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, stories, lot size, attached versus detached, view potential, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities.

The comparable new home sales have base prices ranging from \$303.34 to \$356.72 per square foot with generally the larger sized or attached homes at the low end of the range and the smaller sized homes at the higher end of the range. This is due to the economies of scale which are obtained during construction. The base asking price for an Juniper Plan 3 is \$323.96 per square foot. There are no closed homes of Plan 3 at this time however there are three current escrows with a sales price range from \$320.86 to \$322.72 per square foot. The sales prices do not reflect options as they have not been plotted due to the sales being one week old.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan 3 has a base current market value of \$320.00 per square foot. This calculates as follows:

$$1,611 \text{ sf} \times \$320.00 = \$515,520$$

#### Builder Owned Retail Value – Juniper

Within the subject property, there are four builder-owned model homes. Per interviews with builders, upgrades and landscape/hardscape of over \$100,000 are installed in subject-like 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. The retail base value conclusions for the builder-owned homes are calculated as follows:

#### Juniper:

Plan 1 (1 x \$472,640)	\$ 472,640
Plan 2 (1 x \$509,440)	509,440
Plan 3 (2 x \$515,520)	1,031,040
Model Upgrades (3 x \$50,000)	<u>150,000</u>
Retail Value Builder-Owned	<u>\$ 2,163,120</u>

### Absorption Period

Juniper has sold 9 homes in the one week it has been opened. The model homes have not been released for sale. Based on the sales rates within the subject market area which range from 3.7 to 6.9 sales per month, we have estimated the subject four homes would be absorbed within a one-month time period.

### Remaining Costs

As discussed under the remaining costs section earlier within this report, there are \$38,351.65 in remaining land development costs and fees associated with each lot. For the four builder-owned homes, this equates to \$153,406 in remaining costs. We are assuming that the costs will be spent evenly over the one-month absorption period in our analysis.

### 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. Six percent has been estimated for marketing expenses and two percent for general and administrative costs for a total of eight 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 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. As the market improved, so did the profits. 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 Fontana 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 the subject property appear to be well constructed and have been selling at a good absorption rate. Even with the COVID pandemic, new home sales are continuing at a very good rate. Due to these factors, coupled with the amount of product remaining, a ten percent discount rate is considered appropriate for this analysis.

#### Discounted Cash Flow Summary

The discounted revenue for Aspen Court (see DCF Analysis in Addenda) for the builder-owned homes is **\$1,606,961**.

#### PLC Communities Ownership Valuation Total – Juniper

PLC Communities owns four model homes, nine homes under construction and 78 detached condo lots within the subject property. For purposes of this appraisal, we are valuing a home under construction on the basis of a finished lot rather than attribute value to a partially complete improvement. Therefore, we will value 87 lots/pads. As earlier concluded, the lots have a finished lot value of \$180,000, however there are remaining costs associated with the builder-owned property. As discussed above, the remaining costs equate to \$38,351.65 per lot/unit. The final value conclusion for the 87 builder-owned lots is calculated as follows:

87 Lots x \$180,000	\$15,660,000
Less: Remaining Costs (\$38,351.65 x 87)	( 3,336,594)
Juniper Land Value	\$12,323,406
Builder-Owned Houses Value	\$ 1,606,961
<b>Total PLC Ownership Value</b>	<b><u>\$13,930,367</u></b>



### **Fontana CFD No. 31 Valuation – Birch Bend by TriPointe**

Birch Bend consists of 139 proposed townhome units. There are five completed model homes and 22 production homes under construction along with 112 finished pads. Below is a table showing the break-out of the plans and ownership followed by the valuation for the various plans within Birch Bend.

Plan	Room Count	Floors/ Parking	Sq. Ft.	Completed Ind. Owned	95% Complete Bldr. Owned
Birch Bend					
1	2 / 2	2 / 2	1,309	0	1*
2	2 / 2.5	2 / 2	1,556	0	1*
3	3 / 2.5	2 / 2	1,604	0	1*
4	3 / 3	2 / 2	1,895	0	1*
5	4 / 3	2 / 2	1,922	0	1*
Birch Bend Subtotal				0	5

The most appropriate new home comparable data for Birch Bend Plan 1 are:

Data	Plan	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj	1	2 / 2	1 / 2	1,309	--
3	1	3 / 2	1 / 2	1,477	\$328.30
4	2	3 / 2.5	2 / 2	1,556	\$303.34
10	1	3 / 2.5	2 / 2	1,399	\$332.38
10	2	3 / 2.5	2 / 2	1,408	\$329.90
11	1	1 / 1.5	1 / 1	849	\$456.01
11	2	2 / 2.5	2 / 2	1,391	\$349.03

The subject home is a single-story attached home. The market includes comparable product all located within Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, stories, lot size, attached versus detached, view potential, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from \$303.04 to \$456.01 per square foot with the smallest sized home at the high end of the range and generally the larger sized homes or attached product at the low end of the range. This is due to the economies of scale obtained during construction. There has been significant appreciation in the subject market in the past few months due to the demand for new homes in the Inland Empire. Birch Bend has a base asking price for the Plan 1 of \$335.37 per square foot. There are no closed sales within Birch Bend however

there is one current escrow with a sales price of \$343.02. No design center options other than the builder options have been included in the escrow price as the sales are just a week old.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan 1 has a base current market value of \$330.00 per square foot. This calculates as follows:

$$1,309 \text{ sf} \times \$330.00 = \$431,970$$

The most appropriate new home comparable data for Birch Bend Plan 2 are:

<b>Data</b>	<b>Plan</b>	<b>Rm. Ct.</b>	<b>Flrs/Pkg.</b>	<b>Sq. Ft.</b>	<b>Price/SF</b>
Subj.	2	3 / 2.5	2 / 2	1,556	--
3	1	3 / 2	1 / 2	1,477	\$328.30
3	2	4 / 3	2 / 2	1,592	\$326.57
4	1	2 / 2	1 / 2	1,309	\$335.37
4	3	3 / 2.5	2 / 2	1,604	\$304.86
10	2	3 / 2.5	2 / 2	1,408	\$329.90
10	3	3 / 2.5	2 / 2	1,692	\$267.69
11	2	2 / 2.5	2 / 2	1,391	\$349.03
11	4	3 / 2.5	2 / 2	1,652	\$321.52

The subject market includes comparable product all located within Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, stories, lot size, attached versus detached, view potential, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from \$304.86 to \$349.03 per square foot with generally the lower end of the range for the larger sized homes or attached product and the higher end of the range for the smaller sized homes. This is due to the economies of scale obtained during construction. There has been significant appreciation in the subject market in the past few months due to the demand for new homes in the Inland Empire. The base asking price for a Birch Bend Plan 2 is \$303.04. There are no closed homes however there is one escrow with a sales price of \$310.54 per square foot. No design center options other than the builder options have been included in the escrow price as the sales are just a week old.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan 2 has a base current market value of \$303.00 per square foot. This calculates as follows:

$$1,556 \text{ sf} \times \$303.00 = \$471,468$$

The most appropriate new home comparable data for Birch Bend Plan 3 are:

<b>Data</b>	<b>Plan</b>	<b>Rm. Ct.</b>	<b>Firs/Pkg.</b>	<b>Sq. Ft.</b>	<b>Price/SF</b>
Subj.	3	3 / 2.5	2 / 2	1,604	--
3	1	3 / 2	1 / 2	1,477	\$328.30
3	2	4 / 3	2 / 2	1,592	\$326.57
4	1	2 / 2	1 / 2	1,309	\$335.37
4	2	3 / 2.5	2 / 2	1,556	\$303.34
10	2	3 / 2.5	2 / 2	1,408	\$329.90
10	3	3 / 2.5	2 / 2	1,692	\$267.69
11	2	2 / 2.5	2 / 2	1,391	\$349.03
11	4	3 / 2.5	2 / 2	1,652	\$321.52

The subject market includes comparable product all located within Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, stories, lot size, attached versus detached, view potential, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from \$303.34 to \$349.03 per square foot with generally the lower end of the range for the larger sized homes or attached product and the higher end of the range for the smaller sized homes. This is due to the economies of scale obtained during construction. There has been significant appreciation in the subject market in the past few months due to the demand for new homes in the Inland Empire. The base asking price for a Birch Bend Plan 3 is \$304.86. There are no closed homes however there is one escrow with a sales price of \$302.49 per square foot. No design center options other than the builder options have been included in the escrow price as the sales are just a week old.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan 3 has a base current market value of \$300.00 per square foot.

This calculates as follows:

$$1,604 \text{ sf} \times \$300.00 = \$481,200$$

The most appropriate new home comparable data for Birch Bend Plan 4 are:

Data	Plan	Rm. Ct.	Firs/Pkg.	Sq. Ft.	Price/SF
Subj.	4	4 / 3	2 / 2	1,895	--
2	4	4 / 3	2 / 2	1,989	\$287.58
4	3	3 / 2.5	2 / 2	1,604	\$304.86
4	5	4 / 3	2 / 2	1,922	\$270.55
10	4	3 / 2.5	2 / 2	1,714	\$287.16
10	4X	4 / 2.5	2 / 2	1,720	\$275.70
11	4	3 / 2.5	2 / 2	1,652	\$321.52
11	5	3 / 2.5	2 / 2	1,826	\$293.81

The subject market includes comparable product all located within Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, stories, lot size, attached versus detached, view potential, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from \$275.70 to \$321.52 per square foot with generally the lower end of the range for the larger sized homes or attached product and the higher end of the range for the smaller sized homes. This is due to the economies of scale obtained during construction. There has been significant appreciation in the subject market in the past few months due to the demand for new homes in the Inland Empire. The base asking price for a Birch Bend Plan 4 is \$272.11. There are no closed homes however there is one escrow with a sales price of \$276.83 per square foot. No design center options other than the builder options have been included in the escrow price as the sales are just a week old.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan 4 has a base current market value of \$270.00 per square foot. This calculates as follows:

$$1,895 \text{ sf} \times \$270.00 = \$511,650$$

The most appropriate new home comparable data for Birch Bend Plan 5 are:

<b>Data</b>	<b>Plan</b>	<b>Rm. Ct.</b>	<b>Flrs/Pkg.</b>	<b>Sq. Ft.</b>	<b>Price/SF</b>
Subj.	5	4 / 3	2 / 2	1,922	--
2	4	4 / 3	2 / 2	1,989	\$287.58
4	3	3 / 2.5	2 / 2	1,604	\$304.86
4	4	4 / 3	2 / 2	1,900	\$272.11
10	4	3 / 2.5	2 / 2	1,714	\$287.16
10	4X	4 / 2.5	2 / 2	1,720	\$275.70
11	4	3 / 2.5	2 / 2	1,652	\$321.52
11	5	3 / 2.5	2 / 2	1,826	\$293.81

The subject market includes comparable product all located within Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, stories, lot size, attached versus detached, view potential, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The comparable new home sales have base prices ranging from \$272.11 to \$321.52 per square foot with generally the lower end of the range for the larger sized homes or attached product and the higher end of the range for the smaller sized homes. This is due to the economies of scale obtained during construction. There has been significant appreciation in the subject market in the past few months due to the demand for new homes in the Inland Empire. The base asking price for a Birch Bend Plan 5 is \$270.55. There are no closed homes however there is one escrow with a sales price of \$272.08 per square foot. No design center options other than the builder options have been included in the escrow price as the sales are just a week old.

All homes appear to be in excellent condition with little to no physical depreciation visible. It has been concluded that Plan 5 has a base current market value of \$270.00 per square foot. This calculates as follows:

$$1,922 \text{ sf} \times \$270.00 = \$518,940$$

#### Builder Owned Retail Value – Birch Bend

Within the subject property, there are five builder-owned model homes. Per interviews with builders, upgrades and landscape/hardscape of over \$100,000 are installed in

subject-like 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 \$40,000 premium has been included with each of the model homes. The retail base value conclusions for the builder-owned homes are calculated as follows:

Birch Bend:

Plan 1 (1 x \$431,970)	\$ 431,970
Plan 2 (1 x \$471,468)	471,468
Plan 3 (1 x \$481,200)	481,200
Plan 4 (1 x \$511,650)	511,650
Plan 5 (1 x \$518,940)	518,940
Model Upgrades (5 x \$40,000)	<u>200,000</u>
Retail Value Builder-Owned	<u>\$ 2,615,228</u>

Absorption Period

Birch Bend has sold five homes in the one week it has been opened. The model homes have not been released for sale. Based on the sales rates within the subject market area which range from 3.7 to 6.9 sales per month, we have estimated the subject five homes would be absorbed within a one-month time period.

Remaining Costs

As discussed under the remaining costs section earlier within this report, there are \$40,685.60 in remaining land development costs and fees associated with each lot. For the five builder-owned homes, this equates to \$203,428 in remaining costs. We are assuming that the costs will be spent evenly over the one-month absorption period in our analysis.

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. Six percent has been estimated for marketing expenses and two percent for general and administrative costs for a total of eight 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 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. As the market improved, so did the profits. 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 Fontana 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 the subject property appear to be well constructed and have been selling at a good absorption rate. Even with the COVID pandemic, new home sales are continuing at a very good rate. Due to these factors, coupled with the amount of product remaining, a ten percent discount rate is considered appropriate for this analysis.

### Discounted Cash Flow Summary

The discounted revenue for Aspen Court (see DCF Analysis in Addenda) for the builder-owned homes is **\$1,925,017.**

### **TriPointe Ownership Valuation Total – Birch Bend**

TriPointe owns five model homes, 22 homes under construction and 112 condo pads within the subject property. For purposes of this appraisal, we are valuing a home under

construction on the basis of a finished lot rather than attribute value to a partially complete improvement. Therefore, we will value 134 lots/pads. As earlier concluded, the lots have a finished lot value of \$165,000, however there are remaining costs associated with the builder-owned property. As discussed above, the remaining costs equate to \$40,685.60 per lot/unit. The final value conclusion for the 134 builder-owned lots is calculated as follows:

134 Lots x \$165,000	\$22,110,000
Less: Remaining Costs (\$40,685.60 x 134)	<u>( 5,451,870)</u>
Birch Bend Land Value	\$16,658,130
Builder-Owned Houses Value	<u>\$ 1,925,017</u>
<b>Total TriPointe Ownership Value</b>	<b><u>\$18,583,147</u></b>



## APPRAISAL REPORT SUMMARY

The appraisal assignment was to value the subject property within Fontana CFD No. 31 which includes four communities within Shady Trails in Fontana: Wisteria by Richmond American, Aspen Court by Taylor Morrison, Juniper by PLC Communities and Birch Bend by TriPointe Homes. As of August 1, 2021, 10 homes have closed to individuals out of the total 392 proposed homes and an additional 71 are in escrow which are due to close upon completion. All four neighborhoods are open for sale and have been received well in the marketplace with strong sales rates occurring in each. All structures appear to be in excellent condition with no visible depreciation. We have reviewed all builder sales and escrows to date.

The subject properties were valued utilizing the Sales Comparison Approach to value and a Discounted Cash Flow Analysis. 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. 31 bond proceeds along with the Fontana CFD No. 31 special tax lien. The concluded aggregate value for the subject properties, subject to their respective special tax lien, is:

<b><u>Wisteria</u></b>	<b><u>Builder</u></b>	<b><u>Individual</u></b>
Individual Homeowners (10 Houses)		<u>\$ 6,132,760</u>
Richmond American (13 Houses)	\$ 6,085,519	
Richmond American (89 Lots)	<u>\$13,424,162</u>	
Subtotal Richmond American	\$19,509,681	
<b><u>Aspen Court</u></b>		
Taylor Morrison (12 Houses)	\$ 4,907,967	
Taylor Morrison (48 Lots)	<u>\$ 7,017,200</u>	
Subtotal Taylor Morrison	\$11,925,167	
<b><u>Juniper</u></b>		
PLC (4 Houses)	\$ 1,606,961	
PLC (87 Lots)	<u>\$12,323,406</u>	
Subtotal PLC	\$13,930,367	
<b><u>Birch Bend</u></b>		
TriPointe (5 Houses)	\$ 1,925,017	
TriPointe (134 Lots)	<u>\$16,658,130</u>	
Subtotal TriPointe	<u>\$18,583,147</u>	
<b>Subtotal</b>	<b><u>\$63,948,362</u></b>	<b><u>\$ 6,132,760</u></b>

**AGGREGATE TOTAL PLANNING AREAS 13, 14, 16 AND 17**  
**\$70,081,122**

The above values are stated as of said date of value and subject to the attached Assumptions and Limiting Conditions and Appraiser's Certification.

## **REPORTING OF ASSESSED VALUES**

At the request of the client, we have reviewed the 2021/22 San Bernardino County Assessor's roll for the 619 lots which were previously developed within Fontana CFD No. 31. The total Assessed Value for the 619 lots is \$286,227,170. This is not to be misconstrued as an appraised value.

We have also reviewed the local multiple listing service for re-sales of homes within Fontana CFD No. 31 over the past 180 days. There were 29 re-sales of townhomes, condominiums and single family detached homes within the 619 previously developed homes during this time period. All except four of the re-sales were for substantially higher (over 15 percent) than the previous sales prices. Our search included the prior two sales of the homes when available. The range of increases were from 2.3 percent to 166 percent with the average of the 29 total re-sales around a 50 percent increase. In regards to the four resales under 15 percent, there were three which has sold in 2006 or 2007, prior to the Great Recession which sold at the top of the market. These three re-sales saw increases from 2.3 to 8.5 percent. The remaining low increase relates to a 3.4 percent increase from a home which sold in February 2021 and resold in April 2021. The remaining 25 re-sales had an increase range generally from 19 percent to 166 percent with an average over 60 percent. The prior sales used for comparison of the 25 sales ranged from November 2007 to March 2020.

A listing of the Assessed Values for the 619 units is located in the Addenda of this report.

## 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 appraisal services on the subject property in the past three years. An original appraisal was completed with a June 15, 2021 date of value. Due to time elapse and changes in the subject property, an updated appraisal was required.
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.



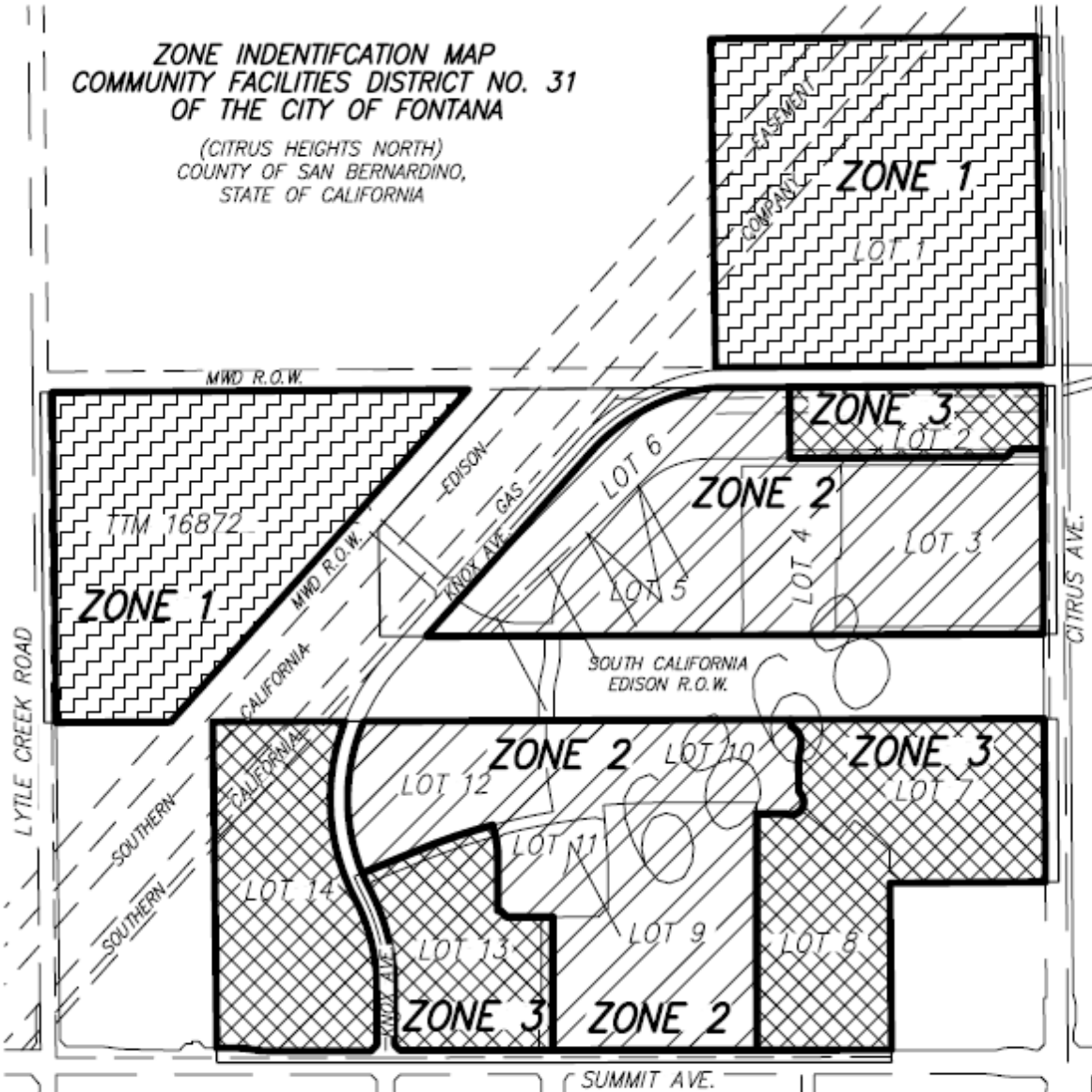
Kitty S. Siino, MAI  
State Certified General  
Real Estate Appraiser (AG004793)

# **ADDENDA**

# **FONTANA CFD NO. 31 BOUNDARY MAP**

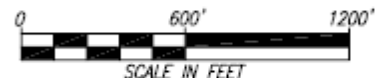
**ZONE IDENTIFICATION MAP  
COMMUNITY FACILITIES DISTRICT NO. 31  
OF THE CITY OF FONTANA**

(CITRUS HEIGHTS NORTH)  
COUNTY OF SAN BERNARDINO,  
STATE OF CALIFORNIA



**ZONE DESCRIPTION**

DESCRIPTION	ZONE
ALL OF TTM 16872 AND LOT 1 OF TTM 16868	1
TTM 16868 LOTS 3, 4, 5, 6, 9, 10, 11, AND 12	2
TTM 16868 LOTS 2, 7, 8, 13 AND 14	3



PREPARED BY:



**MADOLE & ASSOCIATES, INC.**  
CONSULTING CIVIL ENGINEERS LAND  
PLANNERS AND SURVEYORS  
760-A S. ROCHESTER AVENUE  
ONTARIO, CA 91761  
(909) 937-9151

**ZONE IDENTIFICATION MAP**

COMMUNITY FACILITIES DISTRICT NO. 31,  
OF THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO,  
STATE OF CALIFORNIA  
(CITRUS HEIGHTS NORTH)

SCALE:

1"=600'

J.N.

126-2024

DATE:

03/18/05

SHEET

1 OF 1

**TRACT MAP Nos. 17039, 17039-1 and 17041**

4 NUMBER LOTS  
10 LETTER LOTS  
6.52 ACRES GROSS  
4.55 ACRES NET

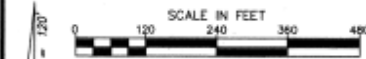
MADOLE AND ASSOCIATES, INC.

# AMENDING MAP TRACT NO. 17039

IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.  
BEING A SUBDIVISION OF THE REMAINDER LOT OF TRACT MAP NO. 17039-1, AS SHOWN ON THE MAP FILED IN BOOK 355,  
PAGES 17, THROUGH 20 INCLUSIVE, OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.  
ALL WITHIN SECTION 24, TOWNSHIP 1 NORTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN.  
FOR CONDOMINIUM PURPOSES

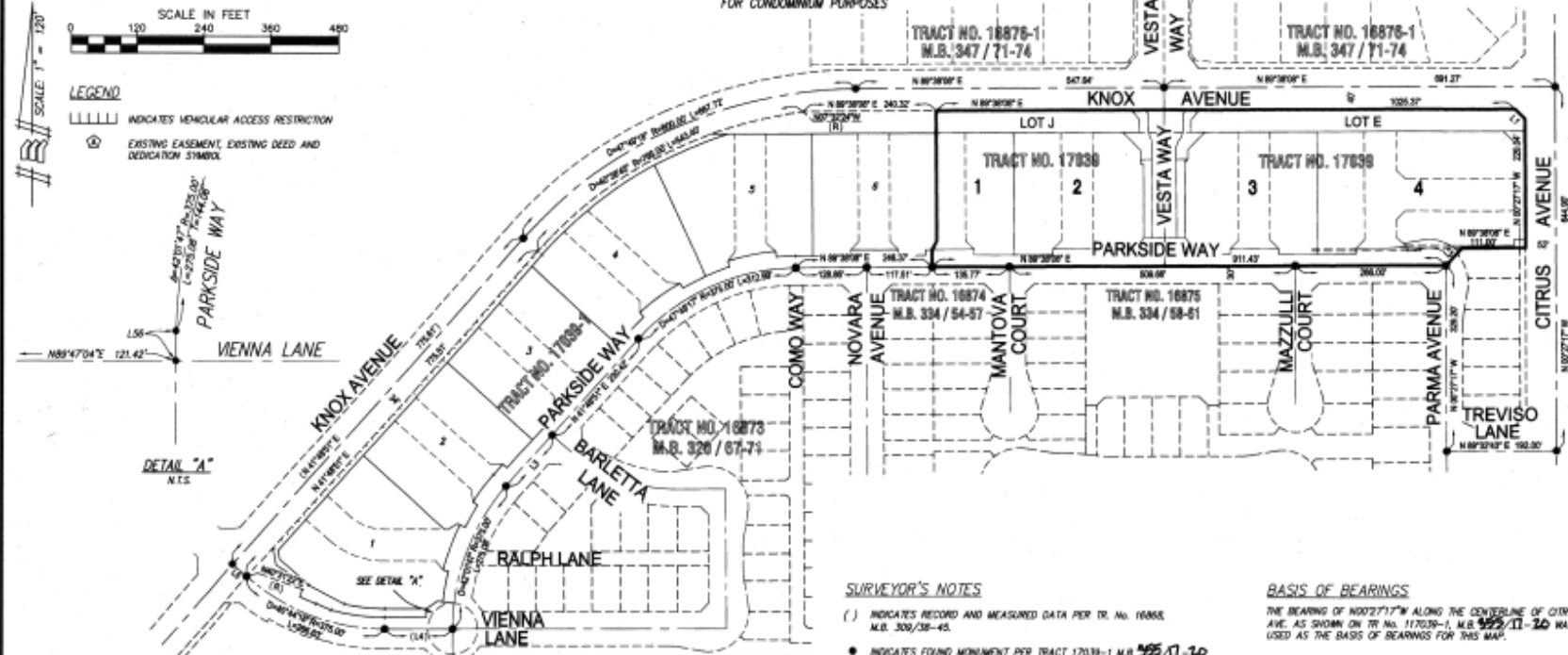
SHEET 6 OF 6 SHEETS

34  
MAY, 2019  
JUNE, 2020



## LEGEND

- INDICATES VEHICULAR ACCESS RESTRICTION
- EXISTING EASEMENT, EXISTING DEED AND DEDICATION SYMBOL



DETAIL "A"  
N.T.S.

#	DESCRIPTION
1	INDICATES 40' WIDE EASEMENT FOR PIPELINES AND INGRESS/EGRESS PURPOSES TO SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT, RECORDED 12/11/1972, IN BOOK 8078 PAGES 230, 236, 240, 244, & 248 O.A.
2	INDICATES 40' WIDE EASEMENT FOR PUBLIC UTILITY PURPOSES TO SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT, RECORDED 12/29/1972, IN BOOK 8080 PAGES 120 & 121 O.A.
3	INDICATES AN EASEMENT FOR PUBLIC UTILITY PURPOSES, TO THE CITY OF FONTANA, RECORDED 8/26/2007, AS INSTRUMENT NO. 2007-384136 O.A.
4	INDICATES AN EASEMENT FOR PUBLIC UTILITY PURPOSES, TO SOUTHERN CALIFORNIA Edison, RECORDED 2/20/2008, AS INSTRUMENT NO. 2008-016334 O.A.
5	INDICATES AN EASEMENT FOR UNDERGROUND COMMUNICATION AND INCIDENTAL PURPOSES, TO PACIFIC BELL TELEPHONE COMPANY, RECORDED 5/15/2018, AS INSTRUMENT NO. 2018-175670 O.A.

#	DESCRIPTION
6	INDICATES AN EASEMENT FOR PUBLIC UTILITIES AND INGRESS AND EGRESS OF SERVICE AND EMERGENCY VEHICLES, TO THE CITY OF FONTANA OVER LOTS "A" & "B", THESE PRIVATE STREETS ARE RESERVED FOR THE USE OF OURSELVES, SUCCESSORS, ASSIGNS, THE LOT OWNERS AND HOMEOWNERS WITHIN THIS SUBDIVISION.

LINE	BEARING	LENGTH
L1	N45°24'34"W	24.01
L2	N45°57'04"E	41.89
L3	N41°48'31"E	122.64
L4	N88°47'04"E	121.42
L5	N88°11'02"W	34.00

## SURVEYOR'S NOTES

- (1) INDICATES RECORD AND MEASURED DATA PER TR. NO. 16688, M.B. 309/38-45.
- INDICATES FOUND MONUMENT PER TRACT 17039-1 M.B. 355/11-20
- INDICATES 1" I.P. 18" LONG TAGGED "P.L.S. 7635" TO BE SET FLUSH AT ALL STREET CENTERLINE INTERSECTIONS, B.C.'S AND E.C.'S UNLESS OTHERWISE NOTED.
- 2" I.P. 18" LONG TAGGED "P.L.S. 7635" TO BE SET AT ALL TRACT BOUNDARY CORNERS, UNLESS OTHERWISE SHOWN.
- 1" I.P. 18" LONG TAGGED "P.L.S. 7635" TO BE SET FLUSH AT ALL REAR BOUNDARY LOT CORNERS AND ANGLE POINTS, UNLESS SHOWN OTHERWISE. IN THE EVENT THAT THE TYPE MONUMENT CANNOT BE SET, A TAG "P.L.S. 7635" WILL BE AFFIXED IN CONCRETE, STONE OR METAL.

## BASIS OF BEARINGS

THE BEARING OF N00°27'17"W ALONG THE CENTERLINE OF CITRUS AVE. AS SHOWN ON TR. NO. 17039-1, M.B. 355/11-20 WAS USED AS THE BASIS OF BEARINGS FOR THIS MAP.



6 NUMBER LOTS  
5 LETTER LOTS  
1 REMAINDER LOT  
14.85 ACRES GROSS  
6.73 ACRES NET

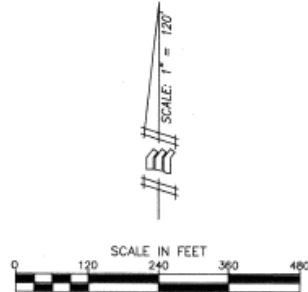
MADOLE AND ASSOCIATES, INC.

# TRACT NO. 17039-1

SHEET 2 OF 4 SHEETS

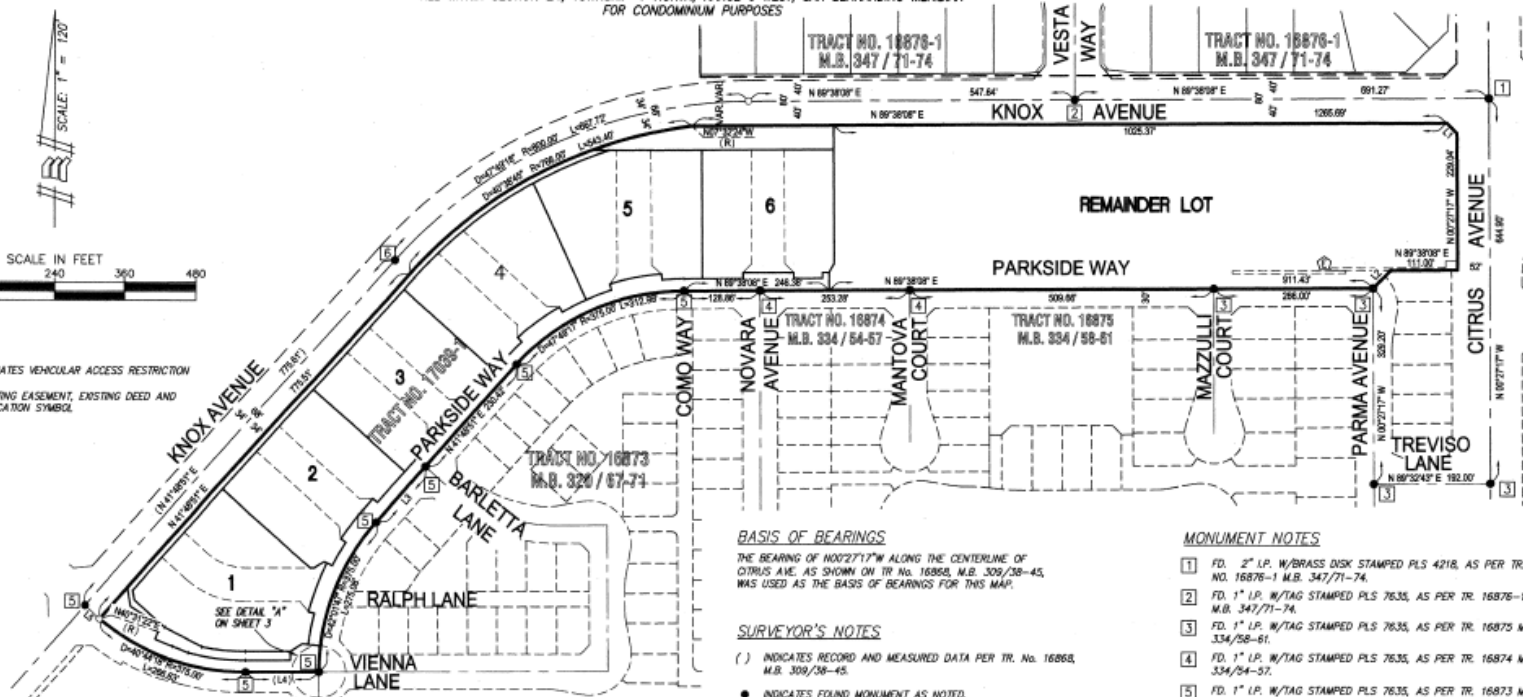
IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.  
BEING A SUBDIVISION OF LOT 2 AND A PORTION OF LOT 6 OF TRACT MAP NO. 16868, AS SHOWN ON THE MAP FILED IN BOOK 309, PAGES 38 THROUGH 45 INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.  
ALL WITHIN SECTION 24, TOWNSHIP 1 NORTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN  
FOR CONDOMINIUM PURPOSES

MAY, 2019



## LEGEND

- ||||| INDICATES VEHICULAR ACCESS RESTRICTION
- ⬢ EXISTING EASEMENT, EXISTING DEED AND DEDICATION SYMBOL



## BASIS OF BEARINGS

THE BEARING OF N00°27'17"W ALONG THE CENTERLINE OF CITRUS AVE. AS SHOWN ON TR. NO. 16868, M.B. 309/38-45, WAS USED AS THE BASIS OF BEARINGS FOR THIS MAP.

## SURVEYOR'S NOTES

( ) INDICATES RECORD AND MEASURED DATA PER TR. NO. 16868, M.B. 309/38-45.

● INDICATES FOUND MONUMENT AS NOTED.

○ INDICATES 1" I.P. 18" LONG TAGGED "P.L.S. 76.35" TO BE SET FLUSH AT ALL STREET CENTERLINE INTERSECTIONS, B.C.'S AND E.C.'S UNLESS OTHERWISE NOTED.

2" I.P. 18" LONG TAGGED "P.L.S. 76.35" TO BE SET AT ALL TRACT BOUNDARY CORNERS, UNLESS OTHERWISE SHOWN.

1" I.P. 18" LONG TAGGED "P.L.S. 76.35" TO BE SET FLUSH AT ALL REAR NUMBER LOT CORNERS AND ANGLE POINTS, UNLESS SHOWN OTHERWISE. IN THE EVENT THAT THE TYPE MONUMENT CANNOT BE SET, A TAG "P.L.S. 76.35" WILL BE AFFIXED IN CONCRETE, STONE OR METAL.

## MONUMENT NOTES

- 1 FD. 2" I.P. W/BRASS DISK STAMPED PLS 4218, AS PER TR. NO. 16876-1 M.B. 347/71-74.
- 2 FD. 1" I.P. W/TAG STAMPED PLS 76.35, AS PER TR. 16876-1 M.B. 347/71-74.
- 3 FD. 1" I.P. W/TAG STAMPED PLS 76.35, AS PER TR. 16875 M.B. 334/58-61.
- 4 FD. 1" I.P. W/TAG STAMPED PLS 76.35, AS PER TR. 16874 M.B. 334/54-57.
- 5 FD. 1" I.P. W/TAG STAMPED PLS 76.35, AS PER TR. 16873 M.B. 320/67-71.
- 6 FD. 1" I.P. W/TAG STAMPED PLS 76.35, AS PER TR. NO. 16868 M.B. 309/38-45.

#	DESCRIPTION
1	INDICATES 40' WIDE EASEMENT FOR PIPELINES AND INGRESS/EGRESS PURPOSES TO SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT, RECORDED 12/11/1972, IN BOOK 8078 PAGES 232, 236, 240, 244, & 248 O.R.
2	INDICATES 40' WIDE EASEMENT FOR PUBLIC UTILITY PURPOSES TO SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT, RECORDED 12/29/1972, IN BOOK 8080 PAGES 1310 & 1317 O.R.
3	INDICATES AN EASEMENT FOR PUBLIC UTILITY PURPOSES, TO THE CITY OF FONTANA, RECORDED 6/28/2007, AS INSTRUMENT NO. 2007-384136 O.R.
4	INDICATES AN EASEMENT FOR PUBLIC UTILITY PURPOSES, TO SOUTHERN CALIFORNIA EDISON, RECORDED 2/20/2008, AS INSTRUMENT NO. 2008-076334 O.R.
5	INDICATES AN EASEMENT FOR UNDERGROUND COMMUNICATION AND INCIDENTAL PURPOSES, TO PACIFIC BELL TELEPHONE COMPANY, RECORDED 5/15/2016, AS INSTRUMENT NO. 2016-175870 O.R.

#	DESCRIPTION
1	INDICATES AN EASEMENT FOR PUBLIC UTILITIES AND INGRESS AND EGRESS OF SERVICE AND EMERGENCY VEHICLES, TO THE CITY OF FONTANA OVER LOTS "A" & "B". THESE PRIVATE STREETS ARE RESERVED FOR THE USE OF OURSELVES, SUCCESSORS, ASSIGNS, THE LOT OWNERS AND HOMEOWNERS WITHIN THIS SUBDIVISION.

LINE	BEARING	LENGTH
L1	N45°24'34"W	24.01
L2	N43°37'04"E	41.69
L3	N41°48'51"E	122.64
L4	N89°47'04"E	121.42
L5	N48°11'30"W	34.00

4 NUMBER LOTS  
5 LETTER LOTS  
22.78 ACRES GROSS  
22.78 ACRES NET

MADOLE AND ASSOCIATES, INC.

SEE SHEET 2 FOR BASIS OF  
BEARINGS, LEGEND, EASEMENT  
TABLE, MONUMENTATION NOTES  
AND SURVEYOR'S NOTES.

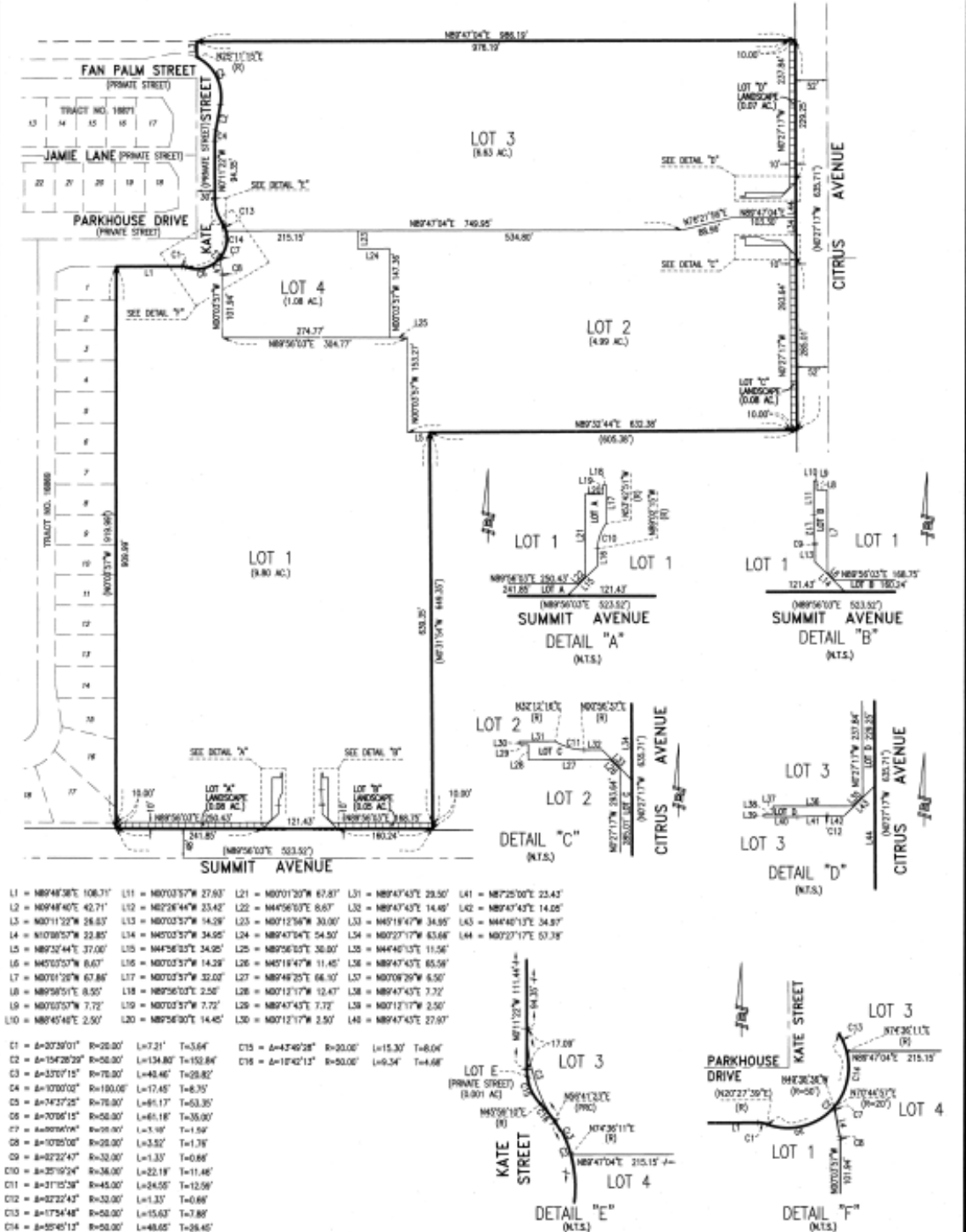
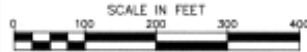
# TRACT MAP NO. 17041

IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.

BEING A SUBDIVISION OF LOTS 7 AND 8 OF TRACT MAP NO. 16868, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN ON THE MAP FILED IN BOOK 309, PAGES 38 THROUGH 45, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SECTION 24, TOWNSHIP 1 NORTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN.  
FOR CONDOMINIUM PURPOSES

SHEET 3 OF 4 SHEETS

OCTOBER 2019



- |   |   |                          |                          |                          |
|---|---|--------------------------|--------------------------|--------------------------|
| L1 = N89°48'38"E 108.71'                      | L11 = N00°03'57"W 27.83'                    | L21 = N00°01'20"W 67.83' | L31 = N89°47'43"E 29.50' | L41 = N87°25'00"E 23.43' |
| L2 = N09°48'40"E 42.71'                       | L12 = N87°26'44"W 33.42'                    | L22 = N44°56'03"E 8.63'  | L32 = N89°47'43"E 14.48' | L42 = N89°47'43"E 14.05' |
| L3 = N00°11'22"W 28.63'                       | L13 = N00°03'57"W 14.28'                    | L23 = N00°12'54"W 30.00' | L33 = N40°18'47"W 34.95' | L43 = N44°46'13"E 34.87' |
| L4 = N10°38'57"W 22.85'                       | L14 = N45°02'57"W 34.95'                    | L24 = N89°47'04"E 54.50' | L34 = N00°27'17"W 63.66' | L44 = N00°27'17"E 63.38' |
| L5 = N89°32'44"E 37.00'                       | L15 = N44°56'03"E 34.95'                    | L25 = N89°56'03"E 30.00' | L35 = N44°46'13"E 11.56' |                          |
| L6 = N45°02'57"W 8.63'                        | L16 = N00°03'57"W 14.28'                    | L26 = N47°16'47"W 11.45' | L36 = N89°47'43"E 65.58' |                          |
| L7 = N00°01'20"W 67.83'                       | L17 = N00°03'57"W 32.00'                    | L27 = N89°46'25"E 66.30' | L37 = N00°06'26"W 6.50'  |                          |
| L8 = N89°56'03"E 8.50'                        | L18 = N89°56'03"E 2.50'                     | L28 = N00°12'17"W 12.47' | L38 = N89°47'43"E 7.72'  |                          |
| L9 = N00°03'57"W 7.72'                        | L19 = N00°03'57"W 7.72'                     | L29 = N89°47'43"E 7.72'  | L39 = N00°12'17"W 2.50'  |                          |
| L10 = N89°45'46"E 2.50'                       | L20 = N89°56'03"E 14.45'                    | L30 = N00°12'17"W 2.50'  | L40 = N89°47'43"E 27.80' |                          |
| C1 = S-07°39'01" R=20.00' L=7.21' T=3.64'     | C15 = S-44°24'28" R=30.00' L=15.30' T=8.04' |                          |                          |                          |
| C2 = S-15°28'29" R=50.00' L=134.80' T=152.84' | C16 = S-10°42'11" R=50.00' L=9.34' T=4.68'  |                          |                          |                          |
| C3 = S-33°07'15" R=70.00' L=48.46' T=28.82'   |   |                          |                          |                          |
| C4 = S-10°00'02" R=100.00' L=17.45' T=8.35'   |   |                          |                          |                          |
| C5 = S-47°37'25" R=70.00' L=61.17' T=53.35'   |   |                          |                          |                          |
| C6 = S-70°06'15" R=50.00' L=61.18' T=35.00'   |   |                          |                          |                          |
| C7 = S-09°06'04" R=50.00' L=3.19' T=1.59'     |   |                          |                          |                          |
| C8 = S-10°00'02" R=20.00' L=3.52' T=1.73'     |   |                          |                          |                          |
| C9 = S-82°22'47" R=30.00' L=1.33' T=0.66'     |   |                          |                          |                          |
| C10 = S-35°19'24" R=36.00' L=22.18' T=11.46'  |   |                          |                          |                          |
| C11 = S-31°05'38" R=45.00' L=24.58' T=12.58'  |   |                          |                          |                          |
| C12 = S-82°22'43" R=30.00' L=1.33' T=0.66'    |   |                          |                          |                          |
| C13 = S-17°34'48" R=50.00' L=15.63' T=7.88'   |   |                          |                          |                          |
| C14 = S-35°46'13" R=50.00' L=48.65' T=26.45'  |   |                          |                          |                          |

# **DISCOUNTED CASH FLOW ANALYSES**

### Wisteria Builder-Owned Houses Discounted Cash Flow Analysis

MONTH	Months	<u>MONTH 1</u>	<u>MONTH 2</u>	<u>TOTAL</u>
	2			
INCOME:				
Retail Sales	8,121,780	\$4,060,890	\$4,060,890	\$8,121,780
TOTAL INCOME		<u>\$4,060,890</u>	<u>\$4,060,890</u>	<u>\$8,121,780</u>
EXPENSES:				
Remaining Costs		(\$249,083)	(\$249,083)	(\$498,166)
Marketing & Carrying Expenses	8%	(\$324,871)	(\$324,871)	(\$649,742)
Profit	10%	<u>(\$406,089)</u>	<u>(\$406,089)</u>	<u>(\$812,178)</u>
TOTAL EXPENSES		(\$980,043)	(\$980,043)	(\$1,960,086)
NET CASH FLOW		\$3,080,847	\$3,080,847	\$6,161,694
Discount Factor	10%	<u>0.9917</u>	<u>0.9835</u>	
DISCOUNTED CASH FLOW		\$3,055,385	\$3,030,134	\$6,085,519
CUMULATIVE DISCOUNTED CASH FLOW		<u>\$3,055,385</u>	<u>\$6,085,519</u>	<u>\$6,085,519</u>

### Aspen Court Builder-Owned Houses Discounted Cash Flow Analysis

MONTH	Months	MONTH 1	MONTH 2	<u>TOTAL</u>
	2			
INCOME:				
Retail Sales	6,673,904	\$3,336,952	\$3,336,952	\$6,673,904
TOTAL INCOME		<u>\$3,336,952</u>	<u>\$3,336,952</u>	<u>\$6,673,904</u>
EXPENSES:				
Remaining Costs		(\$251,600)	(\$251,600)	(\$503,200)
Marketing & Carrying Expenses	8%	(\$266,956)	(\$266,956)	(\$533,912)
Profit	10%	<u>(\$333,695)</u>	<u>(\$333,695)</u>	<u>(\$667,390)</u>
TOTAL EXPENSES		(\$852,251)	(\$852,251)	(\$1,704,503)
NET CASH FLOW		\$2,484,701	\$2,484,701	\$4,969,401
Discount Factor	10%	<u>0.9917</u>	<u>0.9835</u>	
DISCOUNTED CASH FLOW		\$2,464,166	\$2,443,801	\$4,907,967
CUMULATIVE DISCOUNTED CASH FLOW		<u>\$2,464,166</u>	<u>\$4,907,967</u>	<u>\$4,907,967</u>

### **Juniper Builder-Owned Houses Discounted Cash Flow Analysis**

MONTH	Months	MONTH 1	<b><u>TOTAL</u></b>
	1		
INCOME:			
Retail Sales	2,163,120	\$2,163,120	\$2,163,120
TOTAL INCOME		<u>\$2,163,120</u>	<u>\$2,163,120</u>
EXPENSES:			
Remaining Costs		(\$153,406)	(\$153,406)
Marketing & Carrying Expenses	8%	(\$173,050)	(\$173,050)
Profit	10%	<u>(\$216,312)</u>	<u>(\$216,312)</u>
TOTAL EXPENSES		(\$542,768)	(\$542,768)
NET CASH FLOW		\$1,620,352	\$1,620,352
Discount Factor	10%	<u>0.9917</u>	
DISCOUNTED CASH FLOW		\$1,606,961	\$1,606,961
CUMULATIVE DISCOUNTED CASH FLOW		<b><u>\$1,606,961</u></b>	<b><u>\$1,606,961</u></b>

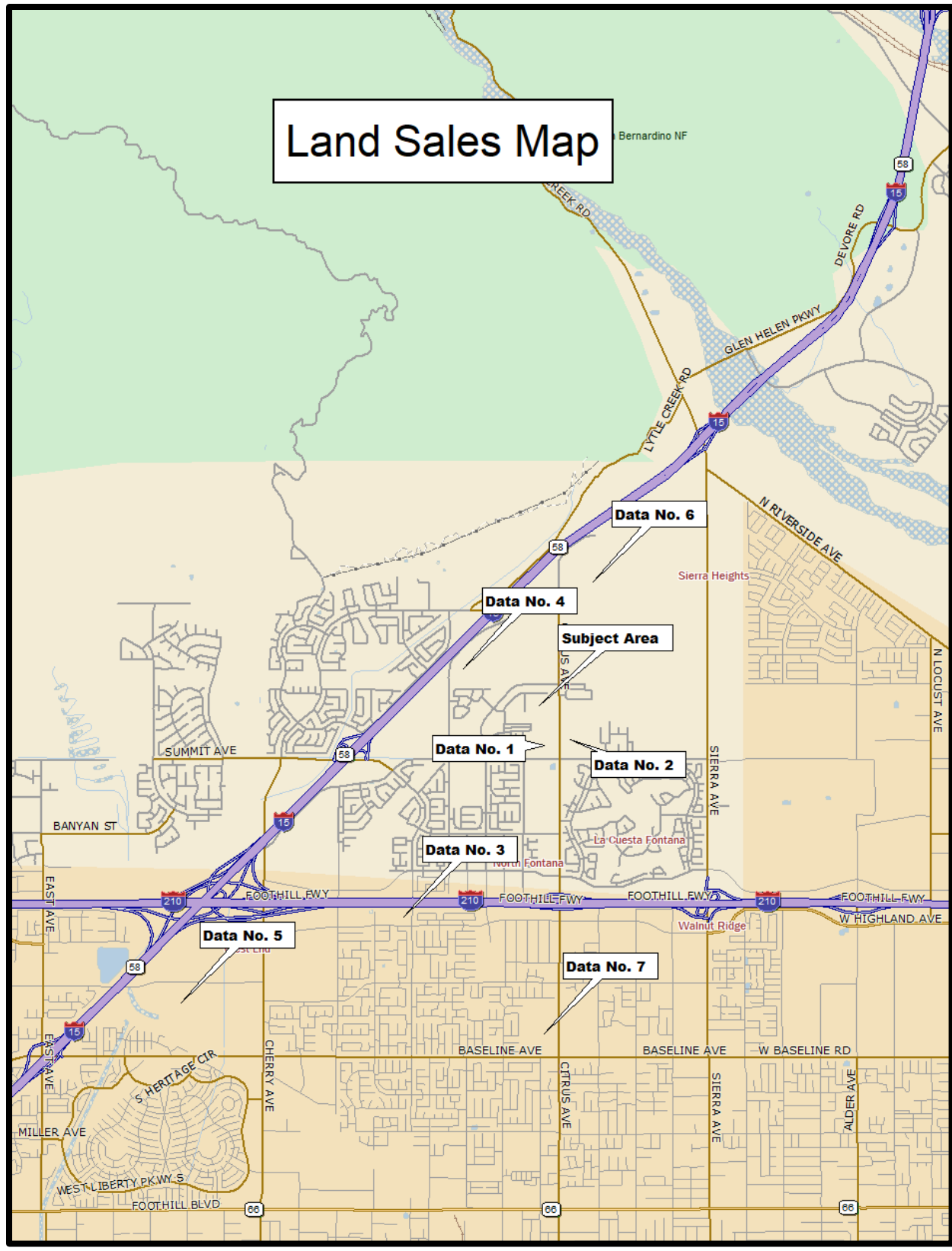
**Birch Bend Builder-Owned Houses Discounted Cash Flow Analysis**

MONTH	Months	<u>MONTH 1</u>	<u>TOTAL</u>
	1		
INCOME:			
Retail Sales	2,615,228	\$2,615,228	\$2,615,228
TOTAL INCOME		<u>\$2,615,228</u>	<u>\$2,615,228</u>
EXPENSES:			
Remaining Costs		(\$203,428)	(\$203,428)
Marketing & Carrying Expenses	8%	(\$209,218)	(\$209,218)
Profit	10%	<u>(\$261,523)</u>	<u>(\$261,523)</u>
TOTAL EXPENSES		(\$674,169)	(\$674,169)
NET CASH FLOW		\$1,941,059	\$1,941,059
Discount Factor	10%	<u>0.9917</u>	
DISCOUNTED CASH FLOW		\$1,925,017	\$1,925,017
CUMULATIVE DISCOUNTED CASH FLOW		<u>\$1,925,017</u>	<u>\$1,925,017</u>

**FINISHED LOT LAND SALES MAP**  
**& SUMMARY CHART**



# Land Sales Map

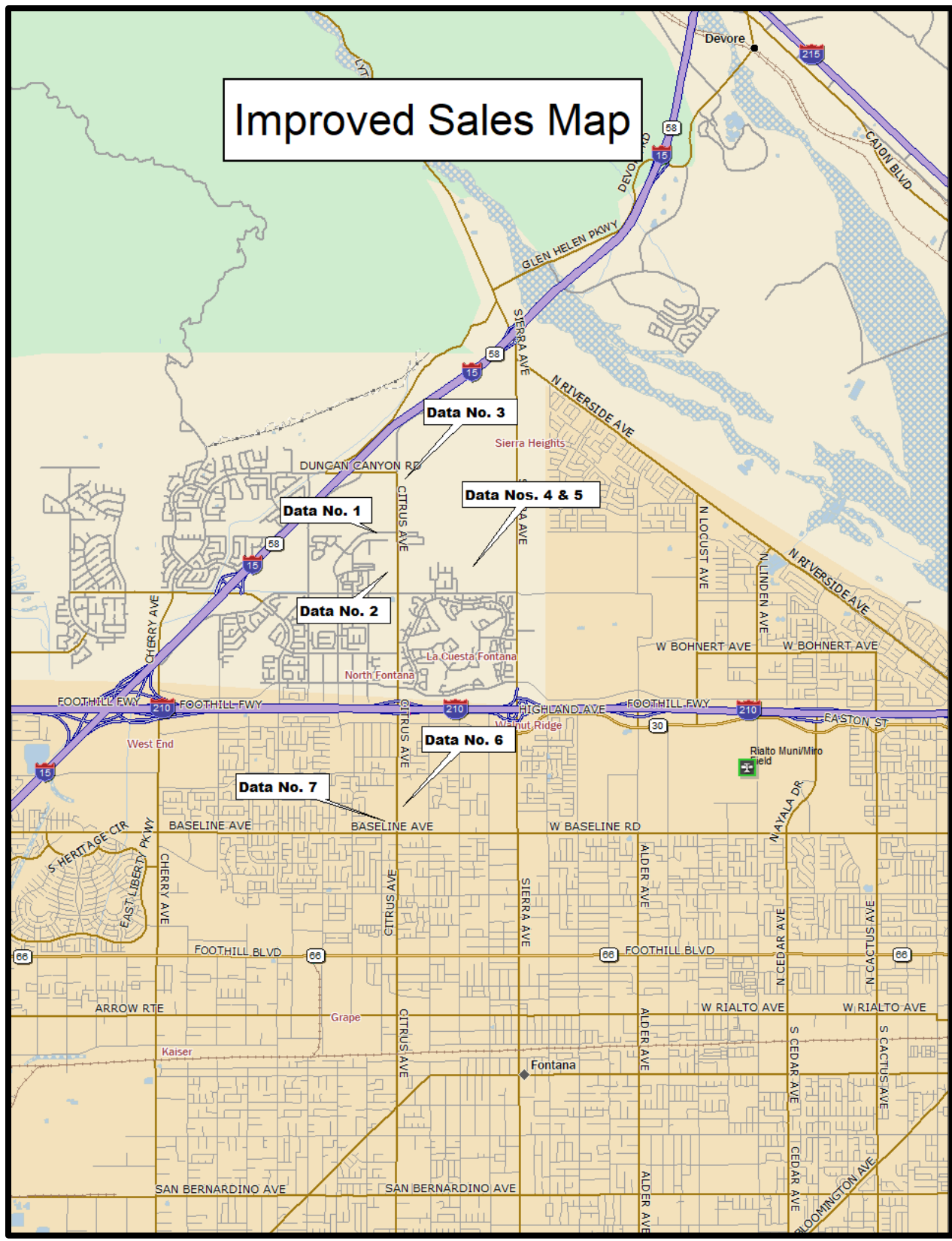


### FINISHED LOT LAND SALES SUMMARY CHART

Data	Location	Date	# Lots	Lot SF or Density	Sales Price / Price per Lot	Finished Lot	Description
1	NEC Citrus and Summit Avenues, Fontana / 1107-262-37-0000 / Confidential / Aky LLC	Cur. Esc.	84	9.3 du/ac	N/A	\$215,000	Public Builder in escrow for continuation of a product nearing sell-out in Fontana. 6-pack cluster units. Due to close in late 2022.
2	NWC Citrus and Summit Avenues, Fontana / 0239-141-30-0000 / Confidential / H & H Partnership	Cur. Esc.	75	8.1	N/A	\$220,000	Public Builder in escrow for continuation of a product nearing sell-out in Fontana. Proposed for 6-pack cluster units. Due to close in late 2022.
3	The Retreat, NWC of Beech Avenue & South Highland Avenue, Fontana / 0228-021-31 / Lennar / The Stratham Group	05 / 21	194	13 du/ac (blended)	\$16,500,000 / \$85,052	\$155,000 (blended)	Closed in unimproved condition with final engineering in process. The Retreat consist of two product lines: 100 attached townhomes and 94 6-pack motorcourt cluster units.
4	Mountainview, N/O Summit Avenue at Lytle Creek Road, Fontana / D.R. Horton	03 / 21	155	5,000	\$13,601,000 / \$87,748	\$221,500	Closed in unimproved condition with final map for conventional lots. DR Horton selling Mountainview with homes from 1,576 to 2m722 sf and pricing from \$613,000 - \$738,000. This transaction was negotiated about 1 year prior to closing.
5	Victoria Street, SEC of Interstate 15 & Victoria Street, Fontana / 0228-091-41 / TRI Pointe Homes / The Stratham Group	12 / 20	193	11 du/ac (blended)	\$25,315,500 / \$131,168	\$215,000 (blended)	Closed in unimproved condition with final engineering in process. Victoria Street consists of two product lines: 82 detached alley-load units and 111 detached cluster units with an overall density of 11 dwelling units per acre.
6	Monterado, NEC of Citrus Avenue & Duncan Canyon Road, Fontana / 0239-081-35 / Lennar / Tsai Family Trust	11 / 20	198	10 du/ac (blended)	\$17,500,000 / \$88,384	\$183,000 (blended)	Closed in unimproved condition with an approved tentative tract map. Monterado consists of two product lines: 89 8-pack detached alley-load units and 109 8-pack detached cluster units.

7	Encore, NWC of Baseline Avenue & Citrus Avenue, Fontana / 0228-242-43 / D.R. Horton / Kaeding Limited Partnership	10 / 20	95	2,600	\$5,600,000 / \$58,947	\$182,000	Closed in unimproved condition with final engineering in process. Encore consists of conventional single-family detached lots.
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**IMPROVED RESIDENTIAL SALES MAP**  
**& SUMMARY CHART**



### IMPROVED RESIDENTIAL SALES SUMMARY CHART

Data No.	Project Name Location/Developer	Plan	Room Count	Size (SF)	Floors/ Parking	Lot Size/ Absorption	Base Sales Price	Price/SF
1 (Sub)	Wisteria at Shady Trails, Citrus Avenue and Knox Avenue, Fontana / Richmond American Homes	1	3 / 2.5	2,210	2 / 2	2,800 / 6.9	\$606,990	\$274.66
		2	3 / 2.5	2,350	2 / 2		\$621,990	\$264.68
		3	3 / 2.5	2,440	2 / 2		\$629,990	\$258.19
2 (Sub)	Aspen Court at Shady Trails, Citrus Avenue and Parkhouse Dr., Fontana / Taylor Morrison	1	3 / 2.5	1,665	2 / 2	Courtyard / 7.2	\$523,000	\$314.11
		2	3 / 2.5	1,759	2 / 2		\$550,000	\$312.68
		3	4 / 2.5	1,891	2 / 2		\$561,000	\$296.67
		4	4 / 3	1,989	2 / 2		\$572,000	\$287.58
3 (Sub)	Juniper at Shady Trails, Citrus & Parkhouse Dr., Fontana / PLC Communities	1	3 / 2	1,477	1 / 2	Courtyard / 9.0	\$484,900	\$328.30
		2	4 / 3	1,592	2 / 2		\$519,900	\$326.57
		3	4 / 3	1,611	2 / 2		\$521,900	\$323.96
4 (Sub)	Birch Bend at Shady Trails, Citrus Avenue and Parkhouse Dr., Fontana / TriPointe	1	2 / 2	1,309	1 / 2	Attached / 5.0	\$439,000	\$335.37
		2	3 / 2.5	1,556	2 / 2		\$472,000	\$303.34
		3	3 / 2.5	1,604	2 / 2		\$489,000	\$304.86
		4	4 / 3	1,900	2 / 2		\$517,000	\$272.11
		5	4 / 3	1,922	2 / 2		\$520,000	\$270.55
5	Lilac at Arboretum, Citrus Avenue and Duncan Canyon Road, Fontana / Lennar	1	3 / 2.5	2,050	2 / 2	4,000 / 6.9	\$639,660	\$312.03
		2	4 / 3	2,205	2 / 2		\$667,140	\$302.56
		3	4 / 3	2,439	2 / 2		\$688,710	\$282.37
6	Ridgeview at Gabion Ranch, Cypress Avenue and Casa Grande Avenue, Fontana / Lennar	1	3 / 2.5	1,578	2 / 2	3,000 / 5.5	\$562,900	\$356.72
		2	3 / 2.5	1,715	2 / 2		\$585,200	\$341.22
		3	4 / 3	1,790	2 / 2		\$591,200	\$330.28
		4	4 / 3.5	1,801	2 / 2		\$592,800	\$329.15
7	Stonebrook at Gabion Ranch, Sierra Avenue and Casa Grande Avenue, Fontana / Lennar	1	3 / 2.5	1,916	2 / 2	3,000 / 6.1	\$605,700	\$316.13
		2	4 / 3	2,152	2 / 2		\$634,200	\$294.70
		3	4 / 3	2,388	2 / 2		\$639,900	\$267.96
8	Courts at El Paseo, Citrus Avenue and Baseline Avenue, Fontana / KB Home	1	3 / 2.5	1,872	2 / 2	2,500 / 4.6	\$581,990	\$310.89
		2	3 / 2.5	2,051	2 / 2		\$595,990	\$290.59
		3	4 / 3	2,100	2 / 2		\$625,990	\$298.09
		4	3 / 2.5	2,153	2 / 2		\$601,990	\$279.61
		5	4 / 3	2,436	2 / 2		\$653,990	\$268.47

9	Encore, Citrus Avenue and Baseline Avenue, Fontana / D.R. Horton	1	3 / 2.5	1,642	2 / 2	2,600 / 7.3	\$566,000	\$344.70
		2	4 / 2.5	1,872	2 / 2		\$596,000	\$318.38
		3	4 / 3	2,043	2 / 2		\$620,000	\$303.48
10	Skyview at Gabion Ranch, Casa Grande and Cypress Avenues, Fontana / Lennar	1	3 / 2.5	1,399	2 / 2	Attached / 6.6	\$465,000	\$332.38
		2	3 / 2.5	1,408	2 / 2		\$464,500	\$329.90
		3	3 / 2.5	1,692	2 / 2		\$452,927	\$267.69
		4	3 / 2.5	1,714	2 / 2		\$492,200	\$287.16
		4X	4 / 2.5	1,720	2 / 2		\$474,200	\$275.70
11	Woodridge at Gabion Ranch, Casa Grande and Cypress Avenues, Fontana / Lennar	1	1 / 1.5	849	1 / 1	Attached / 6.8	\$387,150	\$456.01
		2	2 / 2.5	1,391	2 / 2		\$465,500	\$349.03
		3	3 / 3	1,324	2 / 2		\$483,500	\$365.18
		4	3 / 2.5	1,652	2 / 2		\$531,150	\$321.52
		5	3 / 2.5	1,826	2 / 2		\$536,500	\$293.81
12	Mountainview, Lytle Creek Road N/O Summit Avenue, Fontana / D.R. Horton	1	3 / 2	1,576	1 / 2	5,000 / N/A	\$613,000	\$388.96
		2	4 / 3	1,898	1 / 2		\$658,000	\$346.68
		3	4 / 3	2,239	2 / 2		\$686,000	\$306.38
		4	4 / 3	2,537	2 / 2		\$694,000	\$273.55
		5	4 / 3.5	2,617	2 / 2		\$738,000	\$282.00
		6	5 / 3	2,722	2 / 2		N/A	N/A

**21/22 ASSESSOR'S ROLL FOR DEVELOPED**  
**619 UNITS**



<i>apn</i>	<i>situs_no</i>	<i>situs_str</i>	<i>situs_sfx</i>	<i>unit_no</i>	<i>totalvalue</i>	<i>lotarea</i>
1107-321-01-0000	15572	SYRACUSE	LN		441,235	6,000
1107-321-02-0000	15566	SYRACUSE	LN		426,619	6,000
1107-321-03-0000	15552	SYRACUSE	LN		492,641	6,000
1107-321-04-0000	15548	SYRACUSE	LN		514,657	6,000
1107-321-05-0000	15538	SYRACUSE	LN		487,776	6,188
1107-321-06-0000	5354	PESCARA	WAY		489,191	6,004
1107-321-07-0000	15620	PORTENZA	DR		570,790	6,042
1107-321-08-0000	15614	PORTENZA	DR		635,000	6,041
1107-321-09-0000	15602	PORTENZA	DR		590,515	6,040
1107-321-10-0000	15596	PORTENZA	DR		515,291	6,040
1107-321-11-0000	15582	PORTENZA	DR		621,700	6,038
1107-321-12-0000	15578	PORTENZA	DR		614,000	6,037
1107-321-13-0000	15564	PORTENZA	DR		441,356	6,036
1107-321-14-0000	15558	PORTENZA	DR		546,714	6,035
1107-321-15-0000	15546	PORTENZA	DR		516,300	6,034
1107-321-16-0000	15542	PORTENZA	DR		559,000	6,095
1107-321-17-0000	15528	PORTENZA	DR		510,748	6,842
1107-321-18-0000	5312	PESCARA	WAY		599,172	10,792
1107-321-19-0000	5324	PESCARA	WAY		578,989	7,326
1107-321-20-0000	5338	PESCARA	WAY		626,800	6,072
1107-321-21-0000	5342	PESCARA	WAY		589,000	6,057
1107-321-22-0000	15539	PORTENZA	DR		556,507	6,193
1107-321-23-0000	15543	PORTENZA	DR		466,437	6,003
1107-321-24-0000	15557	PORTENZA	DR		635,000	6,004
1107-321-25-0000	15561	PORTENZA	DR		571,430	6,004
1107-321-26-0000	15575	PORTENZA	DR		443,057	6,005
1107-321-27-0000	15579	PORTENZA	DR		418,906	5,997
1107-321-28-0000	15593	PORTENZA	DR		441,236	6,000
1107-321-29-0000	15599	PORTENZA	DR		485,400	6,000
1107-321-30-0000	15611	PORTENZA	DR		595,900	6,000
1107-321-31-0000	15617	PORTENZA	DR		461,490	6,643
1107-321-32-0000	15608	SYRACUSE	LN		712,000	10,429
1107-321-33-0000	15602	SYRACUSE	LN		396,511	6,942
1107-321-34-0000	15590	SYRACUSE	LN		575,905	6,526
1107-321-35-0000	15584	SYRACUSE	LN		589,000	5,990
1107-321-36-0000	15585	SYRACUSE	LN		589,000	6,385
1107-321-37-0000	15595	SYRACUSE	LN		592,071	6,231
1107-331-01-0000	15538	SICILY	LN		401,246	6,021
1107-331-02-0000	15534	SICILY	LN		454,233	6,329
1107-331-03-0000	15516	SICILY	LN		521,802	8,673
1107-331-04-0000	5412	TURIN	WAY		541,463	6,700
1107-331-05-0000	5424	TURIN	WAY		405,459	6,075
1107-331-06-0000	5430	TURIN	WAY		600,000	6,028
1107-331-07-0000	5444	TURIN	WAY		510,000	6,030
1107-331-08-0000	5448	TURIN	WAY		635,000	6,030
1107-331-09-0000	5460	TURIN	WAY		608,300	6,081
1107-331-10-0000	5466	TURIN	WAY		446,137	6,006
1107-331-11-0000	5476	TURIN	WAY		518,389	7,282
1107-331-12-0000	15529	PISA	LN		545,730	9,655
1107-331-13-0000	15541	PISA	LN		475,878	6,194
1107-331-14-0000	15549	PISA	LN		637,000	6,777
1107-331-15-0000	15557	PISA	LN		440,781	7,623
1107-331-16-0000	15565	PISA	LN		632,000	9,298

1107-331-17-0000	15573	PISA	LN	494,054	8,785
1107-331-18-0000	15581	PISA	LN	541,463	7,289
1107-331-19-0000	15589	PISA	LN	524,307	6,114
1107-331-20-0000	15597	PISA	LN	503,600	6,030
1107-331-21-0000	15603	PISA	LN	660,000	6,030
1107-331-22-0000	15609	PISA	LN	610,000	6,031
1107-331-23-0000	15615	PISA	LN	560,749	6,090
1107-331-24-0000	15621	PISA	LN	570,853	10,076
1107-331-25-0000	15627	PISA	LN	626,800	13,012
1107-331-26-0000	5399	MESSINA	WAY	545,730	10,148
1107-331-27-0000	5409	MESSINA	WAY	616,600	10,191
1107-331-28-0000	15616	PISA	LN	438,923	6,963
1107-331-29-0000	15610	PISA	LN	382,932	6,064
1107-331-30-0000	5455	BIELLA	CT	631,400	6,623
1107-331-34-0000	5458	BIELLA	CT	437,938	6,538
1107-331-35-0000	5468	BIELLA	CT	493,890	7,837
1107-331-36-0000	5467	TURIN	WAY	505,621	6,948
1107-331-37-0000	5461	TURIN	WAY	566,030	6,075
1107-331-38-0000	5449	TURIN	WAY	551,353	6,000
1107-331-39-0000	5443	TURIN	WAY	575,000	6,000
1107-331-40-0000	5431	TURIN	WAY	441,680	6,002
1107-331-41-0000	5425	TURIN	WAY	595,000	6,337
1107-331-43-0000	15563	SICILY	LN	524,951	6,000
1107-331-44-0000	15569	SICILY	LN	352,182	6,000
1107-331-45-0000	15577	SICILY	LN	385,254	6,920
1107-331-46-0000	15588	SICILY	LN	485,399	7,523
1107-331-47-0000	15582	SICILY	LN	553,028	6,577
1107-331-48-0000	15568	SICILY	LN	562,906	6,334
1107-331-49-0000	15562	SICILY	LN	596,800	6,742
1107-331-50-0000	15561	SYRACUSE	LN	514,657	6,387
1107-331-51-0000	15567	SYRACUSE	LN	385,254	6,000
1107-331-52-0000	15579	SYRACUSE	LN	487,852	6,000
1107-331-53-0000	5360	PESCARA	WAY	453,161	7,542
1107-331-54-0000	15519	SYRACUSE	LN	533,412	7,414
1107-331-55-0000	15533	SYRACUSE	LN	604,428	6,375
1107-331-56-0000	15539	SYRACUSE	LN	565,801	6,028
1107-331-64-0000	5447	BIELLA	CT	358,360	6,509
1107-331-65-0000	5445	BIELLA	CT	477,131	7,283
1107-331-66-0000	5448	BIELLA	CT	498,304	7,896
1107-331-67-0000	15549	SICILY	LN	545,595	6,796
1107-341-01-0000	5391	MESSINA	WAY	546,823	10,106
1107-341-02-0000	15643	SYRACUSE	LN	595,245	13,134
1107-341-03-0000	5399	CAMPANIA	WAY	611,400	10,410
1107-341-04-0000	5385	CAMPANIA	WAY	571,965	10,009
1107-341-05-0000	5381	CAMPANIA	WAY	588,660	9,999
1107-341-06-0000	5355	CAMPANIA	WAY	616,320	10,256
1107-341-07-0000	5345	CAMPANIA	WAY	661,948	10,264
1107-341-08-0000	15697	PORTENZA	DR	596,112	10,055
1107-341-09-0000	15713	PORTENZA	DR	667,789	10,246
1107-341-10-0000	15726	PORTENZA	DR	551,353	11,676
1107-341-11-0000	15722	PORTENZA	DR	549,611	6,717
1107-341-12-0000	15712	PORTENZA	DR	540,004	6,047
1107-341-13-0000	15708	PORTENZA	DR	401,384	6,046
1107-341-14-0000	15694	PORTENZA	DR	548,498	6,050

1107-341-15-0000	15688	PORTENZA	DR	377,132	6,049
1107-341-16-0000	15676	PORTENZA	DR	459,124	6,048
1107-341-17-0000	15670	PORTENZA	DR	505,024	6,047
1107-341-18-0000	15658	PORTENZA	DR	568,600	6,046
1107-341-19-0000	15652	PORTENZA	DR	626,800	6,045
1107-341-20-0000	15640	PORTENZA	DR	385,664	6,044
1107-341-21-0000	15634	PORTENZA	DR	369,008	6,043
1107-341-22-0000	15641	PORTENZA	DR	382,934	6,609
1107-341-23-0000	15647	PORTENZA	DR	443,619	6,000
1107-341-24-0000	15655	PORTENZA	DR	532,956	7,293
1107-341-25-0000	5336	CAMPANIA	WAY	521,802	7,675
1107-341-26-0000	5352	CAMPANIA	WAY	582,271	7,851
1107-341-27-0000	5356	CAMPANIA	WAY	604,130	11,282
1107-341-28-0000	5366	CAMPANIA	WAY	525,280	10,000
1107-341-29-0000	5368	CAMPANIA	WAY	595,900	10,785
1107-341-30-0000	5365	TRENTO	WAY	437,995	6,709
1107-341-31-0000	5359	TRENTO	WAY	552,184	6,467
1107-341-32-0000	5347	TRENTO	WAY	532,292	8,165
1107-391-01-0000	5559	SCHARF	AVE	510,749	5,384
1107-391-02-0000	5567	SCHARF	AVE	477,180	5,000
1107-391-03-0000	5577	SCHARF	AVE	578,148	5,000
1107-391-04-0000	5581	SCHARF	AVE	476,952	5,000
1107-391-05-0000	5587	SCHARF	AVE	511,571	5,000
1107-391-06-0000	5595	SCHARF	AVE	476,952	5,000
1107-391-07-0000	5603	SCHARF	AVE	424,343	5,000
1107-391-08-0000	5611	SCHARF	AVE	591,060	5,000
1107-391-09-0000	5617	SCHARF	AVE	522,573	5,000
1107-391-10-0000	5625	SCHARF	AVE	538,791	5,000
1107-391-11-0000	5635	SCHARF	AVE	400,339	5,000
1107-391-12-0000	5641	SCHARF	AVE	523,468	5,000
1107-391-13-0000	5649	SCHARF	AVE	533,937	5,000
1107-391-14-0000	5655	SCHARF	AVE	546,070	5,171
1107-391-15-0000	5665	SCHARF	AVE	449,681	5,058
1107-391-16-0000	5671	SCHARF	AVE	628,831	7,493
1107-391-17-0000	15905	NUAIMI	LN	388,734	9,281
1107-391-18-0000	15897	NUAIMI	LN	515,000	5,361
1107-391-19-0000	15889	NUAIMI	LN	520,336	5,045
1107-391-20-0000	15881	NUAIMI	LN	449,770	5,028
1107-391-21-0000	15850	NUAIMI	LN	564,528	5,673
1107-391-22-0000	15860	NUAIMI	LN	395,568	5,063
1107-391-23-0000	15868	NUAIMI	LN	610,000	5,027
1107-391-24-0000	15874	NUAIMI	LN	567,636	7,564
1107-391-25-0000	15882	NUAIMI	LN	633,600	5,090
1107-391-26-0000	15890	NUAIMI	LN	567,636	5,524
1107-391-27-0000	5648	SCHARF	AVE	525,847	5,396
1107-391-28-0000	5640	SCHARF	AVE	562,382	5,191
1107-391-29-0000	5634	SCHARF	AVE	536,101	5,018
1107-391-30-0000	5626	SCHARF	AVE	459,798	4,999
1107-391-31-0000	5616	SCHARF	AVE	502,226	4,999
1107-391-32-0000	5610	SCHARF	AVE	477,009	5,000
1107-391-33-0000	5604	SCHARF	AVE	426,098	5,000
1107-391-34-0000	5596	SCHARF	AVE	524,307	5,000
1107-391-35-0000	5588	SCHARF	AVE	512,797	5,000
1107-391-36-0000	5580	SCHARF	AVE	491,764	5,000

1107-391-37-0000	5576	SCHARF	AVE	518,945	5,000
1107-391-38-0000	5566	SCHARF	AVE	537,840	5,000
1107-391-39-0000	5558	SCHARF	AVE	522,667	5,364
1107-391-40-0000	5557	GALASSO	AVE	482,385	5,240
1107-391-41-0000	5565	GALASSO	AVE	488,876	5,116
1107-391-42-0000	5575	GALASSO	AVE	484,959	5,130
1107-391-43-0000	5579	GALASSO	AVE	514,253	5,149
1107-391-44-0000	5589	GALASSO	AVE	473,386	5,149
1107-391-45-0000	5597	GALASSO	AVE	628,645	5,149
1107-391-46-0000	5603	GALASSO	AVE	494,095	5,149
1107-391-47-0000	5611	GALASSO	AVE	532,279	5,149
1107-391-48-0000	5619	GALASSO	AVE	492,925	5,127
1107-391-49-0000	5627	GALASSO	AVE	439,603	5,531
1107-391-50-0000	5633	GALASSO	AVE	562,907	6,653
1107-391-51-0000	5637	GALASSO	AVE	484,358	7,176
1107-391-52-0000	5641	GALASSO	AVE	516,301	5,286
1107-391-53-0000	5645	GALASSO	AVE	414,939	6,476
1107-391-54-0000	5653	GALASSO	AVE	550,647	6,848
1107-391-55-0000	5663	GALASSO	AVE	528,380	4,999
1107-391-56-0000	5673	GALASSO	AVE	417,386	6,738
1107-391-57-0000	5686	GALASSO	AVE	616,500	7,220
1107-391-58-0000	5678	GALASSO	AVE	610,000	5,041
1107-391-59-0000	5670	GALASSO	AVE	592,000	5,284
1107-391-60-0000	5662	GALASSO	AVE	568,267	5,327
1107-391-61-0000	5654	GALASSO	AVE	552,184	5,180
1107-391-62-0000	5648	GALASSO	AVE	427,795	7,473
1107-391-63-0000	5644	GALASSO	AVE	560,714	7,850
1107-391-64-0000	5642	GALASSO	AVE	588,660	8,652
1107-391-65-0000	5636	GALASSO	AVE	440,818	6,355
1107-391-66-0000	5628	GALASSO	AVE	490,181	7,473
1107-391-67-0000	5618	GALASSO	AVE	585,363	5,398
1107-391-68-0000	5608	GALASSO	AVE	554,523	5,134
1107-391-69-0000	5602	GALASSO	AVE	536,101	5,319
1107-391-70-0000	5596	GALASSO	AVE	570,986	5,536
1107-391-71-0000	5574	GALASSO	AVE	476,950	5,569
1107-391-72-0000	5564	GALASSO	AVE	486,675	5,000
1107-391-73-0000	5556	GALASSO	AVE	464,163	5,374
1107-401-01-0000	15809	FAN PALM	ST	474,869	6,388
1107-401-02-0000	15817	FAN PALM	ST	428,936	5,333
1107-401-03-0000	15823	FAN PALM	ST	439,634	4,726
1107-401-04-0000	15831	FAN PALM	ST	423,473	4,474
1107-401-05-0000	15839	FAN PALM	ST	451,870	4,298
1107-401-06-0000	15847	FAN PALM	ST	379,880	4,170
1107-401-07-0000	15853	FAN PALM	ST	472,794	4,089
1107-401-08-0000	15861	FAN PALM	ST	487,459	4,127
1107-401-09-0000	15869	FAN PALM	ST	455,751	4,050
1107-401-10-0000	15877	FAN PALM	ST	421,876	4,050
1107-401-11-0000	15885	FAN PALM	ST	400,689	4,050
1107-401-12-0000	15893	FAN PALM	ST	520,335	4,050
1107-401-13-0000	15901	FAN PALM	ST	474,182	4,050
1107-401-14-0000	15909	FAN PALM	ST	540,149	4,050
1107-401-15-0000	15915	FAN PALM	ST	490,000	4,050
1107-401-16-0000	15925	FAN PALM	ST	381,114	4,050
1107-401-17-0000	15931	FAN PALM	ST	498,000	4,570

1107-401-18-0000	15928	PARKHOUSE	DR	515,732	4,266
1107-401-19-0000	15922	PARKHOUSE	DR	470,000	3,999
1107-401-20-0000	15912	PARKHOUSE	DR	532,643	3,999
1107-401-21-0000	15906	PARKHOUSE	DR	468,909	3,999
1107-401-22-0000	15898	PARKHOUSE	DR	456,140	3,999
1107-401-23-0000	15892	PARKHOUSE	DR	329,918	3,999
1107-401-24-0000	15884	PARKHOUSE	DR	444,559	3,999
1107-401-25-0000	15876	PARKHOUSE	DR	395,901	3,999
1107-401-26-0000	15870	PARKHOUSE	DR	459,331	3,999
1107-401-27-0000	15862	PARKHOUSE	DR	479,215	4,038
1107-401-28-0000	15852	PARKHOUSE	DR	502,836	4,063
1107-401-29-0000	15846	PARKHOUSE	DR	475,608	4,063
1107-401-30-0000	15838	PARKHOUSE	DR	437,995	4,063
1107-401-31-0000	15830	PARKHOUSE	DR	484,689	4,063
1107-401-32-0000	15822	PARKHOUSE	DR	483,543	4,063
1107-401-33-0000	15814	PARKHOUSE	DR	392,489	4,063
1107-401-34-0000	15806	PARKHOUSE	DR	540,728	4,271
1107-421-01-0000	15810	VIENNA	LN	358,565	4,685
1107-421-02-0000	15818	VIENNA	LN	336,088	4,000
1107-421-03-0000	15828	VIENNA	LN	531,000	4,000
1107-421-04-0000	15834	VIENNA	LN	475,000	4,000
1107-421-05-0000	15840	VIENNA	LN	333,034	4,000
1107-421-06-0000	15848	VIENNA	LN	424,689	4,000
1107-421-07-0000	15856	VIENNA	LN	450,325	4,000
1107-421-08-0000	15866	VIENNA	LN	444,559	4,287
1107-421-09-0000	5439	PALESTRINA	WAY	410,118	4,046
1107-421-10-0000	5431	PALESTRINA	WAY	332,626	4,085
1107-421-11-0000	5421	PALESTRINA	WAY	361,902	4,237
1107-421-12-0000	5415	PALESTRINA	WAY	350,698	4,172
1107-421-13-0000	5403	PALESTRINA	WAY	418,159	4,041
1107-421-14-0000	5396	PALESTRINA	WAY	368,091	4,629
1107-421-15-0000	5388	PALESTRINA	WAY	336,045	4,387
1107-421-16-0000	5384	PALESTRINA	WAY	352,937	4,387
1107-421-17-0000	5376	PALESTRINA	WAY	490,000	4,387
1107-421-18-0000	5386	PALESTRINA	WAY	353,264	4,000
1107-421-19-0000	5390	PALESTRINA	WAY	427,473	4,000
1107-421-20-0000	15865	BARLETTA	LN	372,412	4,260
1107-421-21-0000	15855	BARLETTA	LN	355,014	4,045
1107-421-22-0000	15849	BARLETTA	LN	451,631	4,450
1107-421-23-0000	15841	BARLETTA	LN	373,022	4,896
1107-421-24-0000	5413	PARKSIDE	WAY	429,803	5,665
1107-421-25-0000	5405	PARKSIDE	WAY	325,596	4,001
1107-421-26-0000	5399	PARKSIDE	WAY	447,341	4,557
1107-421-27-0000	5387	PARKSIDE	WAY	397,439	4,553
1107-421-28-0000	5379	PARKSIDE	WAY	413,368	4,000
1107-421-29-0000	5373	PARKSIDE	WAY	331,746	4,000
1107-421-30-0000	5369	PARKSIDE	WAY	459,713	4,144
1107-421-31-0000	5363	PARKSIDE	WAY	363,950	4,436
1107-421-32-0000	5355	PARKSIDE	WAY	413,335	4,436
1107-421-33-0000	5351	PARKSIDE	WAY	381,106	4,436
1107-421-34-0000	5349	PARKSIDE	WAY	352,764	4,968
1107-421-35-0000	5352	NOVARA	AVE	525,000	4,393
1107-421-36-0000	5360	NOVARA	AVE	415,585	4,250
1107-421-37-0000	5366	NOVARA	AVE	421,924	4,250

1107-421-38-0000	5374	NOVARA	AVE		463,729	4,250
1107-421-39-0000	5382	NOVARA	AVE		346,984	4,250
1107-421-40-0000	5390	NOVARA	AVE		457,144	4,250
1107-421-41-0000	5398	NOVARA	AVE		324,358	4,250
1107-421-42-0000	5406	NOVARA	AVE		448,393	4,250
1107-421-43-0000	5414	NOVARA	AVE		499,825	4,250
1107-421-44-0000	5420	NOVARA	AVE		371,177	4,250
1107-421-45-0000	5428	NOVARA	AVE		359,798	4,123
1107-421-46-0000	5436	NOVARA	AVE		425,234	4,114
1107-431-04-0000	15723	PARKHOUSE	DR	65	336,842	2,047
1107-431-05-0000	15723	PARKHOUSE	DR	66	382,250	1,930
1107-431-06-0000	15723	PARKHOUSE	DR	67	336,377	1,000
1107-431-07-0000	15723	PARKHOUSE	DR	68	339,777	1,791
1107-431-08-0000	15723	PARKHOUSE	DR	69	107,859	1,791
1107-431-09-0000	15723	PARKHOUSE	DR	70	337,391	2,047
1107-431-10-0000	15723	PARKHOUSE	DR	71	300,754	2,047
1107-431-11-0000	15723	PARKHOUSE	DR	72	360,699	1,808
1107-431-12-0000	15723	PARKHOUSE	DR	73	372,000	1,791
1107-431-13-0000	15723	PARKHOUSE	DR	74	339,530	1,953
1107-431-14-0000	15723	PARKHOUSE	DR	75	310,891	1,965
1107-431-15-0000	15723	PARKHOUSE	DR	76	389,000	2,062
1107-431-16-0000	15723	PARKHOUSE	DR	77	355,723	2,062
1107-431-17-0000	15723	PARKHOUSE	DR	78	373,170	1,965
1107-431-18-0000	15723	PARKHOUSE	DR	79	231,395	1,953
1107-431-19-0000	15723	PARKHOUSE	DR	80	376,157	1,791
1107-431-20-0000	15723	PARKHOUSE	DR	81	372,000	1,808
1107-431-21-0000	15723	PARKHOUSE	DR	82	336,843	2,047
1107-431-22-0000	15723	PARKHOUSE	DR	83	362,658	2,047
1107-431-23-0000	15723	PARKHOUSE	DR	84	333,992	1,770
1107-431-24-0000	15723	PARKHOUSE	DR	85	382,000	1,941
1107-431-25-0000	15723	PARKHOUSE	DR	86	347,780	2,047
1107-431-26-0000	15723	PARKHOUSE	DR	87	305,778	2,047
1107-431-27-0000	15723	PARKHOUSE	DR	88	331,121	1,808
1107-431-28-0000	15723	PARKHOUSE	DR	89	385,000	1,965
1107-431-29-0000	15723	PARKHOUSE	DR	90	380,279	2,062
1107-431-30-0000	15723	PARKHOUSE	DR	39	319,597	2,047
1107-431-31-0000	15723	PARKHOUSE	DR	40	311,292	1,808
1107-431-32-0000	15723	PARKHOUSE	DR	41	321,662	1,953
1107-431-33-0000	15723	PARKHOUSE	DR	42	325,448	1,965
1107-431-34-0000	15723	PARKHOUSE	DR	43	329,166	2,062
1107-431-35-0000	15723	PARKHOUSE	DR	44	327,295	2,047
1107-431-36-0000	15723	PARKHOUSE	DR	45	333,419	1,791
1107-431-37-0000	15723	PARKHOUSE	DR	46	352,146	1,953
1107-431-38-0000	15723	PARKHOUSE	DR	47	301,956	1,930
1107-431-39-0000	15723	PARKHOUSE	DR	48	340,673	2,047
1107-431-40-0000	15723	PARKHOUSE	DR	49	320,439	2,047
1107-431-41-0000	15723	PARKHOUSE	DR	50	380,000	1,808
1107-431-42-0000	15723	PARKHOUSE	DR	51	315,485	1,965
1107-431-43-0000	15723	PARKHOUSE	DR	52	373,833	2,062
1107-431-44-0000	15723	PARKHOUSE	DR	53	310,891	2,047
1107-431-45-0000	15723	PARKHOUSE	DR	54	245,732	1,930
1107-431-46-0000	15723	PARKHOUSE	DR	55	352,146	1,953
1107-431-47-0000	15723	PARKHOUSE	DR	56	365,000	1,791
1107-431-48-0000	15723	PARKHOUSE	DR	57	363,628	1,791

1107-431-49-0000	15723	PARKHOUSE	DR	58	350,393	2,047
1107-431-50-0000	15723	PARKHOUSE	DR	59	327,350	2,047
1107-431-51-0000	15723	PARKHOUSE	DR	60	271,371	1,930
1107-431-52-0000	15723	PARKHOUSE	DR	61	271,682	1,953
1107-431-53-0000	15723	PARKHOUSE	DR	62	345,786	1,953
1107-431-54-0000	15723	PARKHOUSE	DR	63	322,626	1,791
1107-431-55-0000	15723	PARKHOUSE	DR	64	363,791	2,047
1107-431-56-0000	15723	PARKHOUSE	DR	16	329,063	2,047
1107-431-57-0000	15723	PARKHOUSE	DR	17	365,000	1,808
1107-431-58-0000	15723	PARKHOUSE	DR	18	276,955	1,791
1107-431-59-0000	15723	PARKHOUSE	DR	19	288,683	1,953
1107-431-60-0000	15723	PARKHOUSE	DR	20	193,734	1,965
1107-431-61-0000	15723	PARKHOUSE	DR	21	400,000	2,062
1107-431-62-0000	15723	PARKHOUSE	DR	22	311,690	2,047
1107-431-63-0000	15723	PARKHOUSE	DR	23	303,118	1,791
1107-431-64-0000	15723	PARKHOUSE	DR	24	277,467	1,791
1107-431-65-0000	15723	PARKHOUSE	DR	25	357,092	1,953
1107-431-66-0000	15723	PARKHOUSE	DR	26	360,000	1,930
1107-431-67-0000	15723	PARKHOUSE	DR	27	369,768	2,047
1107-431-68-0000	15723	PARKHOUSE	DR	28	382,340	2,047
1107-431-69-0000	15723	PARKHOUSE	DR	29	369,459	1,808
1107-431-70-0000	15723	PARKHOUSE	DR	30	365,235	1,953
1107-431-71-0000	15723	PARKHOUSE	DR	31	314,223	1,965
1107-431-72-0000	15723	PARKHOUSE	DR	32	362,658	2,062
1107-431-73-0000	15723	PARKHOUSE	DR	33	385,948	2,047
1107-431-74-0000	15723	PARKHOUSE	DR	34	292,967	1,930
1107-431-75-0000	15723	PARKHOUSE	DR	35	286,464	1,953
1107-431-76-0000	15723	PARKHOUSE	DR	36	263,625	1,791
1107-431-77-0000	15723	PARKHOUSE	DR	37	279,744	1,791
1107-431-78-0000	15723	PARKHOUSE	DR	38	315,505	2,047
1107-432-01-0000	15723	PARKHOUSE	DR	1	336,298	2,047
1107-432-02-0000	15723	PARKHOUSE	DR	2	299,661	1,770
1107-432-03-0000	15723	PARKHOUSE	DR	3	364,740	1,941
1107-432-04-0000	15723	PARKHOUSE	DR	4	314,425	2,047
1107-432-05-0000	15723	PARKHOUSE	DR	5	324,357	2,062
1107-432-06-0000	15723	PARKHOUSE	DR	6	360,699	1,965
1107-432-07-0000	15723	PARKHOUSE	DR	7	299,461	1,953
1107-432-08-0000	15723	PARKHOUSE	DR	8	276,068	1,808
1107-432-09-0000	15723	PARKHOUSE	DR	9	337,745	2,047
1107-432-10-0000	15723	PARKHOUSE	DR	10	312,004	2,047
1107-432-11-0000	15723	PARKHOUSE	DR	11	345,240	1,791
1107-432-12-0000	15723	PARKHOUSE	DR	12	336,377	1,791
1107-432-13-0000	15723	PARKHOUSE	DR	13	284,054	1,953
1107-432-14-0000	15723	PARKHOUSE	DR	14	311,441	1,930
1107-432-15-0000	15723	PARKHOUSE	DR	15	340,087	2,047
1107-432-16-0000	15723	PARKHOUSE	DR	91	385,000	2,047
1107-432-17-0000	15723	PARKHOUSE	DR	92	322,627	1,808
1107-432-18-0000	15723	PARKHOUSE	DR	93	317,103	1,791
1107-432-19-0000	15723	PARKHOUSE	DR	94	343,735	1,953
1107-432-20-0000	15723	PARKHOUSE	DR	95	356,657	1,965
1107-432-21-0000	15723	PARKHOUSE	DR	96	400,000	2,062
1107-432-22-0000	15723	PARKHOUSE	DR	97	405,000	2,047
1107-432-23-0000	15723	PARKHOUSE	DR	98	365,000	1,791
1107-432-24-0000	15723	PARKHOUSE	DR	99	274,961	1,791

1107-432-25-0000	15723	PARKHOUSE	DR	100	352,146	1,953
1107-432-26-0000	15723	PARKHOUSE	DR	101	295,347	1,930
1107-432-27-0000	15723	PARKHOUSE	DR	102	387,493	2,047
1107-432-28-0000	15723	PARKHOUSE	DR	103	316,443	2,047
1107-432-29-0000	15723	PARKHOUSE	DR	104	295,891	1,930
1107-432-30-0000	15723	PARKHOUSE	DR	105	323,105	1,953
1107-432-31-0000	15723	PARKHOUSE	DR	107	242,641	1,791
1107-432-32-0000	15723	PARKHOUSE	DR	107	314,839	1,791
1107-432-33-0000	15723	PARKHOUSE	DR	108	317,158	2,047
1107-432-34-0000	15723	PARKHOUSE	DR	109	367,912	2,062
1107-432-35-0000	15723	PARKHOUSE	DR	110	333,563	1,965
1107-432-36-0000	15723	PARKHOUSE	DR	111	311,440	1,953
1107-432-37-0000	15723	PARKHOUSE	DR	112	357,500	1,791
1107-432-38-0000	15723	PARKHOUSE	DR	113	296,554	1,808
1107-432-39-0000	15723	PARKHOUSE	DR	114	338,874	2,047
1107-441-01-0000	15683	FAN PALM	ST		413,103	5,089
1107-441-02-0000	15683	FAN PALM	ST		401,950	4,475
1107-441-03-0000	15701	FAN PALM	ST		342,326	4,442
1107-441-04-0000	15707	FAN PALM	ST		403,749	4,715
1107-441-05-0000	15713	FAN PALM	ST		402,281	4,315
1107-441-06-0000	15721	FAN PALM	ST		378,116	4,429
1107-441-07-0000	15722	SLOWIK	CT		424,453	4,916
1107-441-08-0000	15714	SLOWIK	CT		355,516	5,007
1107-441-09-0000	15706	SLOWIK	CT		419,903	4,913
1107-441-10-0000	15700	SLOWIK	CT		436,017	5,071
1107-441-11-0000	15692	SLOWIK	CT		385,873	4,732
1107-441-12-0000	15686	SLOWIK	CT		368,027	5,014
1107-441-13-0000	15685	SLOWIK	CT		374,333	4,948
1107-441-14-0000	15691	SLOWIK	CT		417,350	4,038
1107-441-15-0000	15699	SLOWIK	CT		430,355	4,020
1107-441-16-0000	15705	SLOWIK	CT		439,603	4,020
1107-441-17-0000	15711	SLOWIK	CT		355,596	4,065
1107-441-18-0000	15717	SLOWIK	CT		469,817	4,032
1107-441-19-0000	15725	SLOWIK	CT		345,046	4,010
1107-441-20-0000	15729	SLOWIK	CT		341,297	4,276
1107-441-21-0000	5539	REBECCA	WAY		461,048	6,960
1107-441-22-0000	5539	REBECCA	WAY		455,233	4,147
1107-441-23-0000	5527	REBECCA	WAY		377,006	4,551
1107-441-24-0000	15739	FAN PALM	ST		417,617	4,747
1107-441-25-0000	15745	FAN PALM	ST		474,869	4,050
1107-441-26-0000	15753	FAN PALM	ST		465,225	4,050
1107-441-27-0000	15759	FAN PALM	ST		479,921	4,927
1107-441-28-0000	5528	HARTNESS	CT		400,503	4,820
1107-441-29-0000	5534	HARTNESS	CT		347,712	4,333
1107-441-30-0000	5542	HARTNESS	CT		465,000	4,631
1107-441-31-0000	5548	HARTNESS	CT		440,801	6,128
1107-441-32-0000	5543	HARTNESS	CT		382,604	6,266
1107-441-33-0000	5537	HARTNESS	CT		358,104	5,327
1107-441-34-0000	5529	HARTNESS	CT		346,185	5,034
1107-441-35-0000	5521	HARTNESS	CT		379,451	4,779
1107-441-36-0000	5513	HARTNESS	CT		459,713	5,074
1107-451-01-0000	5437	MASSA	WAY		358,362	4,198
1107-451-02-0000	5435	MASSA	WAY		347,936	4,012
1107-451-03-0000	5427	MASSA	WAY		414,248	4,076



1107-451-04-0000	5423	MASSA	WAY	331,653	4,209
1107-451-05-0000	5417	MASSA	WAY	425,728	4,275
1107-451-06-0000	5409	MASSA	WAY	359,710	4,646
1107-451-07-0000	5396	MASSA	WAY	413,366	4,225
1107-451-08-0000	5404	MASSA	WAY	344,470	4,073
1107-451-09-0000	5412	MASSA	WAY	367,190	4,006
1107-451-10-0000	5418	MASSA	WAY	329,918	4,095
1107-451-11-0000	5424	MASSA	WAY	460,724	4,050
1107-451-12-0000	5434	MASSA	WAY	348,109	4,418
1107-451-13-0000	5433	NOVARA	AVE	484,973	4,399
1107-451-14-0000	5425	NOVARA	AVE	329,860	4,050
1107-451-15-0000	5419	NOVARA	AVE	345,053	4,050
1107-451-16-0000	5411	NOVARA	AVE	335,285	4,095
1107-451-17-0000	5407	NOVARA	AVE	433,613	4,050
1107-451-18-0000	5395	NOVARA	AVE	308,723	4,545
1107-451-19-0000	5385	NOVARA	AVE	423,101	4,095
1107-451-20-0000	5377	NOVARA	AVE	525,387	4,050
1107-451-21-0000	5371	NOVARA	AVE	369,737	4,095
1107-451-22-0000	5367	NOVARA	AVE	402,077	4,050
1107-451-23-0000	5357	NOVARA	AVE	484,973	4,050
1107-451-24-0000	5353	NOVARA	AVE	429,403	4,390
1107-451-25-0000	5354	MANTOVA	CT	396,376	5,154
1107-451-26-0000	5358	MANTOVA	CT	347,533	4,738
1107-451-27-0000	5368	MANTOVA	CT	297,555	4,737
1107-451-28-0000	5372	MANTOVA	CT	421,924	4,517
1107-451-29-0000	5378	MANTOVA	CT	484,973	4,009
1107-451-30-0000	5386	MANTOVA	CT	362,145	4,183
1107-451-31-0000	5387	MANTOVA	CT	422,147	4,190
1107-451-32-0000	5381	MANTOVA	CT	204,003	4,004
1107-451-33-0000	5379	MANTOVA	CT	324,332	4,511
1107-451-34-0000	5369	MANTOVA	CT	305,899	4,790
1107-451-35-0000	5359	MANTOVA	CT	374,983	4,738
1107-451-36-0000	5355	MANTOVA	CT	390,716	5,151
1107-452-01-0000	5403	PARMA	AVE	423,775	5,467
1107-452-02-0000	5411	PARMA	AVE	402,532	5,000
1107-452-03-0000	5419	PARMA	AVE	374,293	5,000
1107-452-04-0000	5427	PARMA	AVE	412,396	5,074
1107-452-05-0000	5435	PARMA	AVE	396,872	5,049
1107-452-06-0000	5443	PARMA	AVE	455,687	5,558
1107-452-07-0000	5428	PARMA	AVE	409,907	5,934
1107-452-08-0000	5420	PARMA	AVE	437,541	5,000
1107-452-09-0000	5412	PARMA	AVE	405,340	5,000
1107-452-10-0000	5404	PARMA	AVE	440,271	5,000
1107-452-11-0000	5400	PARMA	AVE	397,306	5,000
1107-452-12-0000	5399	PADUA	WAY	464,765	5,122
1107-452-13-0000	5405	PADUA	WAY	413,484	5,039
1107-452-14-0000	5413	PADUA	WAY	377,701	5,126
1107-452-15-0000	5421	PADUA	WAY	406,572	5,041
1107-452-16-0000	5429	PADUA	WAY	364,049	5,957
1107-452-17-0000	5438	PADUA	WAY	385,149	6,352
1107-452-18-0000	5430	PADUA	WAY	412,390	5,560
1107-452-19-0000	5422	PADUA	WAY	500,128	5,246
1107-452-20-0000	5414	PADUA	WAY	447,481	5,250
1107-452-21-0000	5406	PADUA	WAY	489,244	5,663

1107-452-22-0000	5407	VASTO	CT	345,174	5,824
1107-452-23-0000	5415	VASTO	CT	381,084	5,397
1107-452-24-0000	5423	VASTO	CT	392,307	5,369
1107-452-25-0000	5431	VASTO	CT	376,561	5,373
1107-452-26-0000	5439	VASTO	CT	481,204	5,674
1107-452-27-0000	5440	VASTO	CT	460,747	5,617
1107-452-28-0000	5432	VASTO	CT	413,367	5,254
1107-452-29-0000	5424	VASTO	CT	390,183	5,437
1107-452-30-0000	5416	VASTO	CT	375,577	5,259
1107-452-31-0000	5408	VASTO	CT	492,641	5,813
1107-452-32-0000	15976	RIMINI	LN	448,411	5,226
1107-452-33-0000	15984	RIMINI	LN	425,728	5,350
1107-452-34-0000	15992	RIMINI	LN	550,000	5,350
1107-452-35-0000	16000	RIMINI	LN	400,059	5,237
1107-452-36-0000	5384	MAZZULLI	CT	406,177	5,212
1107-452-37-0000	5374	MAZZULLI	CT	420,931	5,342
1107-452-38-0000	5366	MAZZULLI	CT	388,903	5,353
1107-452-39-0000	5358	MAZZULLI	CT	414,263	5,419
1107-452-40-0000	5350	MAZZULLI	CT	514,657	5,850
1107-452-41-0000	5351	MAZZULLI	CT	479,213	5,850
1107-452-42-0000	5359	MAZZULLI	CT	610,000	5,408
1107-452-43-0000	5367	MAZZULLI	CT	385,515	5,346
1107-452-44-0000	5375	MAZZULLI	CT	372,001	5,380
1107-452-45-0000	5385	MAZZULLI	CT	420,931	5,238
1107-452-46-0000	5382	PARMA	AVE	394,196	5,000
1107-452-47-0000	5376	PARMA	AVE	403,173	5,000
1107-452-48-0000	5368	PARMA	AVE	439,603	5,000
1107-452-49-0000	5360	PARMA	AVE	466,438	5,000
1107-452-50-0000	5352	PARMA	AVE	368,234	5,396
1107-452-51-0000	5341	PARMA	AVE	440,839	5,168
1107-452-54-0000	5357	PARMA	AVE	381,067	5,076
1107-452-55-0000	5365	PARMA	AVE	443,682	5,000
1107-452-56-0000	5377	PARMA	AVE	464,154	5,000
1107-452-57-0000	5381	PARMA	AVE	443,683	5,637
1107-452-66-0000	5349	PARMA	AVE	391,496	5,101
1107-471-01-0000	16052	STEVENS	LN	594,385	10,583
1107-471-02-0000	16036	STEVENS	LN	699,531	9,997
1107-471-03-0000	16024	STEVENS	LN	539,444	9,997
1107-471-04-0000	16012	STEVENS	LN	618,240	9,997
1107-471-05-0000	15998	STEVENS	LN	626,107	13,624
1107-471-06-0000	15979	STEVENS	LN	729,658	16,212
1107-471-07-0000	15989	STEVENS	LN	653,189	10,175
1107-471-08-0000	16001	STEVENS	LN	585,714	9,997
1107-471-09-0000	16013	STEVENS	LN	545,388	9,997
1107-471-10-0000	16025	STEVENS	LN	704,016	9,997
1107-471-11-0000	16039	STEVENS	LN	632,287	9,997
1107-471-12-0000	16053	STEVENS	LN	616,007	10,563
1107-471-13-0000	16050	WILBERT	DR	594,342	10,710
1107-471-14-0000	16038	WIBERT	DR	571,802	9,998
1107-471-15-0000	16026	WIBERT	DR	708,007	9,998
1107-471-16-0000	16014	WIBERT	DR	578,386	9,998
1107-471-17-0000	16002	WIBERT	DR	623,051	9,997
1107-471-18-0000	15962	WIBERT	DR	591,484	9,997
1107-471-19-0000	15950	WIBERT	DR	559,718	10,510

1107-471-20-0000	5235	GODINEZ	DR	649,367	14,732
1107-471-21-0000	5236	GODINEZ	DR	646,465	13,477
1107-471-22-0000	15930	WIBERT	DR	581,726	11,890
1107-471-23-0000	15916	WIBERT	DR	654,027	10,722
1107-471-24-0000	15902	WIBERT	DR	609,247	15,649
1107-471-25-0000	15903	WIBERT	DR	574,329	12,067
1107-471-26-0000	15915	WIBERT	DR	624,524	10,046
1107-471-27-0000	15929	WIBERT	DR	670,259	9,997
1107-471-28-0000	15941	WIBERT	DR	224,141	9,997
1107-471-29-0000	15951	WIBERT	DR	601,694	9,997
1107-471-30-0000	15965	WIBERT	DR	596,745	9,997
1107-471-31-0000	15977	WIBERT	DR	564,226	10,496
1107-471-32-0000	16005	WIBERT	DR	604,005	10,332
1107-471-33-0000	16017	WIBERT	DR	626,475	9,997
1107-471-34-0000	16029	WIBERT	DR	614,414	9,997
1107-471-35-0000	16041	WIBERT	DR	600,346	9,997
1107-471-36-0000	16051	WIBERT	DR	676,669	10,587
1107-471-37-0000	16063	WIBERT	DR	627,369	12,821
1107-471-38-0000	5265	SAMMY HAGAR	WAY	692,351	12,619
1107-471-39-0000	5253	SAMMY HAGAR	WAY	569,068	10,116
1107-471-40-0000	5241	SAMMY HAGAR	WAY	793,133	9,997
1107-471-41-0000	5229	SAMMY HAGAR	WAY	711,005	9,997
1107-471-42-0000	5217	SAMMY HAGAR	WAY	692,580	9,997
1107-471-43-0000	5205	SAMMY HAGAR	WAY	650,460	10,474
1107-481-01-0000	5179	SAMMY HAGAR	WAY	605,830	7,357
1107-481-02-0000	5171	SAMMY HAGAR	WAY	545,902	7,043
1107-481-03-0000	5157	SAMMY HAGAR	WAY	228,627	7,018
1107-481-04-0000	5149	SAMMY HAGAR	WAY	677,941	7,018
1107-481-05-0000	5141	SAMMY HAGAR	WAY	560,000	7,018
1107-481-06-0000	5129	SAMMY HAGAR	WAY	602,300	7,328
1107-481-07-0000	5121	SAMMY HAGAR	WAY	578,338	8,781
1107-481-08-0000	16064	ULYSSES	LN	669,798	13,889
1107-481-09-0000	16058	ULYSSES	LN	590,003	9,024
1107-481-10-0000	16048	ULYSSES	LN	592,923	8,077
1107-481-11-0000	16034	ULYSSES	LN	677,693	8,687
1107-481-12-0000	16030	ULYSSES	LN	543,231	8,648
1107-481-13-0000	5120	GODINEZ	DR	595,035	7,288
1107-481-14-0000	5128	GODINEZ	DR	655,208	7,018
1107-481-15-0000	5136	GODINEZ	DR	420,380	7,018
1107-481-16-0000	5144	GODINEZ	DR	543,272	7,018
1107-481-17-0000	5150	GODINEZ	DR	642,644	7,018
1107-481-18-0000	5156	GODINEZ	DR	541,631	7,018
1107-481-19-0000	5168	GODINEZ	DR	685,143	7,018
1107-481-20-0000	5172	GODINEZ	DR	592,071	7,018
1107-481-21-0000	5180	GODINEZ	DR	544,438	7,121
1107-481-22-0000	5194	GODINEZ	DR	549,698	7,661
1107-481-23-0000	5200	GODINEZ	DR	538,778	7,018
1107-481-24-0000	5210	GODINEZ	DR	568,942	7,489
1107-481-25-0000	5218	GODINEZ	DR	589,108	7,687
1107-481-26-0000	5224	GODINEZ	DR	541,553	10,785
1107-481-27-0000	5219	GODINEZ	DR	592,978	12,307
1107-481-28-0000	5207	GODINEZ	DR	590,298	7,558
1107-481-29-0000	5199	GODINEZ	DR	570,935	7,018
1107-481-30-0000	5193	GODINEZ	DR	525,892	7,018

1107-481-31-0000	5185	GODINEZ	DR	578,425	7,018
1107-481-32-0000	5179	GODINEZ	DR	666,355	7,018
1107-481-33-0000	5171	GODINEZ	DR	572,350	7,305
1107-481-34-0000	16011	MINERVA	PL	629,657	9,526
1107-481-35-0000	16019	MINERVA	PL	580,970	7,091
1107-481-36-0000	16023	MINERVA	PL	574,380	9,937
1107-481-37-0000	16028	MINERVA	PL	655,803	9,241
1107-481-38-0000	16030	MINERVA	PL	583,548	12,872
1107-481-39-0000	5153	GODINEZ	DR	608,406	8,498
1107-481-40-0000	5145	GODINEZ	DR	69,686	7,018
1107-481-41-0000	5139	GODINEZ	DR	544,228	7,018
1107-481-42-0000	5131	GODINEZ	DR	576,970	9,478
1107-481-43-0000	5126	SAMMY HAGAR	WAY	276,516	7,445
1107-481-44-0000	5138	SAMMY HAGAR	WAY	670,364	7,018
1107-481-45-0000	5144	SAMMY HAGAR	WAY	571,114	7,018
1107-481-46-0000	5160	SAMMY HAGAR	WAY	672,890	7,018
1107-481-47-0000	5168	SAMMY HAGAR	WAY	522,709	7,016
1107-481-48-0000	5176	SAMMY HAGAR	WAY	532,550	7,007
1107-481-49-0000	5184	SAMMY HAGAR	WAY	611,632	7,186
1107-481-50-0000	5142	ARMENDAREZ	LN	604,654	12,321
1107-481-51-0000	5134	ARMENDAREZ	LN	555,678	8,047
1107-481-52-0000	5120	ARMENDAREZ	LN	609,322	8,398
1107-481-53-0000	5114	ARMENDAREZ	LN	687,641	8,398
1107-481-54-0000	5100	ARMENDAREZ	LN	602,467	9,750
1107-481-55-0000	5101	ARMENDAREZ	LN	614,586	12,704
1107-481-56-0000	5117	ARMENDAREZ	LN	701,235	14,486
				<b><u>286,227,170</u></b>	

## 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 and 2019

Speaker, Mello-Roos & Special Assessment Financing, UCLA Extension Public Policy Program, February 2009 and March 2011



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-922

**Agenda #:** B.

**Agenda Date:** 9/28/2021

**Category:** New Business

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**FROM:**

Human Resources

**SUBJECT:**

Interim City Manager Employment Agreement

**RECOMMENDATION:**

Approve the Interim City Manager Employment Agreement (Attachment A)

**DISCUSSION:**

On September 21, 2019, the City Council voted to appoint Shannon Yauchzee to serve as Interim City Manager pending the recruitment of a permanent City Manager, unless the agreement is terminated sooner by the City or Mr. Yauchzee. The appointment was conditioned on approval of an agreement setting forth the terms of employment. That agreement is before the Council tonight.

The job of the City Manager is defined by the Fontana Municipal Code and state law. In addition, the City Council may receive assistance from the Interim City Manager with managing the recruitment for a new City Manager.

Normally, the working after retirement rules limit retirees to a maximum of 960 hours per fiscal year. However, the 960 hour limitation has been waived under Executive Order N-25-20, as modified by Executive Order N-35-20, for retired annuitants appointed to ensure adequate staffing in response to COVID-19. That waiver continues in effect. It is imperative for the City to have continuous leadership in its chief executive position in order to ensure proper management and operation of the City to address the challenges created by the COVID-19 pandemic. As such, all hours worked by Mr. Yauchzee in his role as Interim City Manager are subject to the waiver of the 960 hour limit and will not count toward the 960-hour per fiscal year limit so long as the COVID-19 state of emergency remains in effect.

The rate of pay for an Interim City Manager who is retired from CalPERS is dictated by law and governed by Government Code sections 21221(h) and 7522.56. Specifically, Section 7522.56(d) - which supersedes Section 21221(h) to the extent of conflicts - provides that "the rate of pay for the employment shall not be less than the minimum, not exceed the maximum, paid by the employer to other employees performing comparable duties, divided by 173.333 to equal an hourly rate." Section 21221(h) further provides that this rate must be "listed on a publicly available pay schedule for the vacant position."

The City Manager's salary is set by contract and is reflected as a fixed amount on the publicly available pay schedule, not a range. So in effect, a retired annuitant would be paid at the same rate (reflected as an hourly rate) as the most recent city manager but the total cost to the City would be less since the compensation for a retired annuitant is limited to an hourly rate. The hourly rate to be

paid to Mr. Yauchzee for his service as interim City Manager shall be \$143.11. He will not receive any other compensation or benefits.

Mr. Yauchzee is a CalPERS retiree and will not be enrolled in CalPERS, except for administrative recordkeeping purposes, or create any CalPERS obligations on his behalf for the City.

**FISCAL IMPACT:**

This expense is within the approved budget. Mr. Yauchzee will be engaged to perform the Interim City Manager services without benefits ordinarily provided to City employees. His compensation of \$143.11/hr is in compliance with the requirements of Government Code section 21221(h).

**MOTION:**

Approve the Interim City Manager Employment Agreement.



**CITY OF FONTANA  
INTERIM CITY MANAGER EMPLOYMENT AGREEMENT**

This Employment Agreement (“Agreement”) is made and entered into as of September 28, 2021, by and between the City of Fontana (“City”), a California municipal corporation, and Shannon Yauchzee (“Retiree”), an individual, on the terms and conditions contained herein. City and Retiree are sometimes referred to in this Agreement individually as “Party” and collectively as “Parties.”

**RECITALS**

A. City desires to employ the services of Retiree as its Interim City Manager to carry out the duties and responsibilities of the City Manager position as provided for by the Fontana Municipal Code and applicable state law, in consideration of and subject to the terms, conditions, and benefits set forth in this Agreement.

B. Retiree desires to accept employment as Interim City Manager in consideration of and subject to the terms, conditions, and benefits set forth in this Agreement.

C. Retiree’s employment is authorized by Government Code Sections 7522.56 and 21221(h), which permit the City Council to appoint a California Public Employees’ Retirement System (“CalPERS”) retiree to a vacant position requiring specialized skills during recruitment for a permanent appointment, and provide that such appointment will not subject the retired person to reinstatement from retirement or loss of benefits, so long as it is a single appointment that does not exceed 960 hours in a fiscal year, inclusive of all hours worked for other all CalPERS employers, unless an exception applies.

D. The City Council appointed Retiree as Interim City Manager at a special meeting held on September 21, 2021, as required pursuant to Government Code Section 21221(h).

E. Retiree represents that he is a retired annuitant of CalPERS within the meaning of Government Code Sections 7522.56 and 21221(h) (“Statutes”) and acknowledges that his compensation is statutorily limited as provided in Government Code Section 21221(h). Retiree represents that, as of the effective date of this Agreement, he has not worked for another CalPERS state or contracting agency as a retired annuitant during the 2021-2022 fiscal year, and that he therefore acknowledges that he can work up to 960 hours, unless an exception applies, for the City, a state agency or other CalPERS contracting agencies (collectively “CalPERS Agencies”) during the 2021-2022 fiscal year. With the execution of this Agreement, Retiree affirms that he has not received unemployment compensation from any CalPERS Agencies during the 12-month period preceding the effective date of this Agreement.

F. The City has determined that it is necessary to hire Retiree, a CalPERS retiree, because the position of Interim City Manager requires special skills, and Retiree, by virtue of his significant experience as city manager, has those special skills.

## **OPERATIVE PROVISIONS**

In consideration of the promises and covenants contained herein, the Parties agree as follows:

### **1. Position and Duties.**

1.1 Position. Retiree accepts employment with City as its Interim City Manager and shall perform all functions, duties and services set forth in Section 1.4 [Duties] of this Agreement. Retiree shall provide service at the direction and under the supervision of the City Council. It is the intent of the Parties that Retiree, as the Interim City Manager, shall keep the City Council fully apprised of all significant ongoing operations of City. Toward that end, Retiree shall report directly to the City Council and will periodically, or as may be otherwise specifically requested by the City Council, provide status reports to the City Council on his activities and those of the City.

1.2 Term. This Agreement shall become effective on September 28, 2021, unless a later date is agreed on by the Parties. This Agreement shall expire upon whichever of the following events occurs first: (i) upon the employment commencement date of a permanent City Manager employed by City; or (ii) upon termination of this Agreement by either Retiree or City as provided in Section 4 [Termination] of this Agreement.

1.3 At-Will. Retiree acknowledges that he is an at-will, temporary employee of City who shall serve at the pleasure of the City Council at all times during the period of his service hereunder. Nothing in this Agreement is intended to, or does, confer upon Retiree any right to any property interest in continued employment, or any due process right to a hearing before or after a decision by the City Council to terminate his employment, except as is expressly provided in Section 1.2 [Term] or Section 4 [Termination] of this Agreement. Further, nothing contained in this Agreement shall in any way prevent, limit or otherwise interfere with the right of City to terminate the services of Retiree, as provided in Section 1.2 [Term] or Section 4 [Termination] of this Agreement.

1.4 Duties. Retiree shall perform those duties and have those responsibilities that are commonly assigned to a city manager of a city in California, and as may be further set forth in the City's Municipal Code, as well as those duties set forth in the City's classification specification for City Manager.

1.5 Hours of Work. Retiree shall devote the time necessary to adequately perform his duties as Interim City Manager. It is recognized that Retiree will devote a great deal of time outside the normal office hours-schedule, and to that end, he shall be allowed to establish an appropriate work schedule recognizing that the normal City work schedule is Monday through Thursday, 8:00 AM to 6:00 PM. However in no event shall Retiree be required to work in excess of 960 hours per fiscal year for City, including hours worked for other CalPERS Agencies during such fiscal years, unless an exception applies. Any hours worked by Retiree to ensure adequate staffing during a declared state of emergency will not count toward the 960-hour limit per fiscal year. The position of Interim City Manager shall be deemed a non-exempt position under California wage and hour law.

1.6 Devotion to City Business. The Interim City Manager position is full-time. Retiree shall not engage in any business, educational, professional, charitable, or other activities that would conflict or materially interfere with performance of his Interim City Manager duties, except as may be specifically authorized by the City Council.

## **2. Compensation.**

2.1 Rate of Pay. For all services performed by Retiree as the Interim City Manager under this Agreement, City shall pay Retiree compensation at the rate of One Hundred Forty-Three Dollars and Eleven cents (\$143.11) per hour, according to the payroll schedule in place for City employees paid bi-weekly subject to the limitations provided below.

2.1.1 Compliance with CalPERS requirements. It is the intent of the Parties to compensate Retiree only to the extent permitted under Government Code section 21221(h) and corresponding CalPERS regulations and policy statements. The Rate of Pay set forth above is based on the salary limitations established by CalPERS and is not less than the minimum, nor in excess of the maximum, paid by the City to other employees performing comparable duties (divided by 173.333 to equal an hourly rate) as listed on the City's publicly-available pay schedule. Such compensation shall be Retiree's sole compensation for his service under this Agreement. Notwithstanding the foregoing, the City shall pay for workers' compensation insurance for Retiree.

2.1.2 Recordation and Reporting of Hours Worked. Retiree will comply with all applicable CalPERS regulations governing employment after retirement, including the recordation and reporting of all hours worked for City to CalPERS as may be required. City shall assist in any such reporting obligations to CalPERS. Additionally, Retiree shall keep City continually apprised of any hours worked by Retiree for other CalPERS Agencies during the term of this Agreement.

## **2.2 Benefits.**

2.2.1 No Benefits. Pursuant to Government Code §21221(h) and related CalPERS regulations and policy statements, Retiree shall not receive from City any benefits City commonly provides to its employees unless required by federal or state law, including without limitation, health, dental, or vision insurance coverage, life insurance, deferred compensation, disability insurance, unemployment insurance, vehicle allowance, gym programs, employee assistance programs, and similar benefits.

2.4 Reimbursement. City shall reimburse Retiree for authorized, reasonable and necessary travel expenses incurred by Retiree in the performance of his duties pursuant to this Agreement. Retiree shall document and claim said reimbursement for such travel in the manner and forms required by the City. All reimbursements shall be for actual expenses and shall be subject to and in accordance with California and federal law and City's adopted reimbursement policies. Such reimbursements shall not be reported to CalPERS. Other than as specifically provided herein, Retiree shall receive no other compensation or reimbursements for expenses incurred by him in performance of this Agreement.

### **3. Vacation and Leave.**

3.1 No Leave. Retiree and City agree that Retiree, in accordance with Government Code Section 21221(h) and related CalPERS regulations and policy statements, shall not be provided or accrue any personal time off, vacation, sick leave, administrative leave, paid holidays or similar leave benefits, unless required by federal or state law.

### **4. Termination.**

4.1 By City. This Agreement may be terminated by City for any reason thirty (30) days after providing written notice to Retiree of such termination. City's only obligation in the event of such termination will be payment to Retiree of all compensation then due and owing as set forth in Section 2.1 [Rate of Pay] up to and including the effective date of termination. However, this Agreement may be terminated immediately if necessitated by changes to CalPERS statutory or regulatory requirements, or if doing so will preclude a violation of Government Code Sections 7522.56 or 21221(h).

4.2 By Retiree. This Agreement may be terminated by Retiree for any reason thirty (30) days after providing written notice to City of such termination. City shall have the option, in its complete discretion, to make Retiree's termination effective at any time prior to the end of such period, provided City pays Retiree all compensation as set forth in Section 2.1 [Rate of Pay] then due and owing him through the last day actually worked.

4.3 No Notice for Expiration. Nothing in this Section 4 [Termination] shall be construed to require either party to give advance written notice in order for the Agreement to expire as set forth in Section 1.2 [Term].

4.4 Termination Obligations. Retiree agrees that all property, including, without limitation, all equipment, tangible Proprietary Information (as defined below), documents, records, notes, contracts, and computer-generated materials furnished to or prepared by him incident to his employment belongs to City and shall be returned promptly to City upon termination of Retiree's employment. Retiree's obligations under this subsection shall survive the termination of his employment and the expiration of this Agreement.

### **5. Confidential Information.**

"Confidential Information" shall include, but not be limited to, all information or material that Retiree learns of or obtains during his employment with City as Interim City Manager that is or was confidential or privileged by virtue of it having been discussed or presented in a duly-noticed closed session meeting of the City Council, or otherwise privileged and/or confidential under applicable law, including but not limited to personnel information, information pertaining to on-going or potential litigation, information learned in the context of the attorney-client relationship with the City Attorney or special counsel to the City. Confidential Information as defined includes, but is not limited to, all data, materials, products, technology, computer programs, specifications, manuals, business plans, software, marketing plans, financial information, internal processes and procedures, and other information disclosed or submitted,

orally, in writing, or by any other media, to Retiree by City. Nothing herein shall require City to disclose any of its information to Retiree.

During his employment with City as Interim City Manager, Retiree shall use and disclose Confidential Information only for the benefit of City and as is, or may be, necessary to perform his job responsibilities under this Agreement. Following the termination of this Agreement, Retiree shall not use or disclose any Confidential Information, except with the express written consent of City. Retiree's obligations under this Section shall survive the termination of his employment and the expiration of this Agreement.

## **6. Conflict Of Interest.**

Retiree represents and warrants to City that he presently has no interest, and represents that he will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or interfere in any way with performance of his services under this Agreement.

## **7. General Provisions.**

7.1 Recitals. The recitals, inclusive of all facts and representations, are incorporated into this Agreement as if set forth in the Operative Provisions.

7.2 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be effective upon delivery by hand or three (3) business days after deposit in the United States mail, postage prepaid, certified or registered, and addressed to City at the address below, and or at the last known address maintained in Retiree's personnel file. Retiree agrees to notify City in writing of any change in his address during his employment with City. Notice of change of address shall be effective only when accomplished in accordance with this Section.

### **City's Notice Address:**

City of Fontana  
8353 Sierra Avenue  
Fontana, CA 92335  
Attn: Mayor and City Council

### **Interim City Manager's Address:**

Shannon Yauchzee  
[Address on File with Human Resources]

7.4 Indemnification. Subject to, in accordance with, and to the extent provided by the California Government Claims Act [Government Code Section 810 *et seq.*], City will indemnify, defend, and hold Retiree harmless from and against any action, demand, suit, monetary judgment or other legal or administrative proceeding, and any liability, injury, loss or other damages, arising out of any act or omission occurring during Retiree's tenure as Interim City Manager, except that this provision shall not apply with respect to any intentional tort or crime committed by Retiree,

or any actions outside the course and scope of his employment as Interim City Manager. City shall obtain and keep in full force and effect liability insurance, or risk pool coverage, including errors and omissions coverage on a “per occurrence” basis, in sufficient amounts to ensure fulfillment of this hold harmless and indemnification clause.

7.5 Bonding. City shall bear the full cost of any fidelity or other bonds required of the Interim City Manager under any law or ordinance.

7.6 Integration. This Agreement is intended to be the final, complete, and exclusive statement of the terms of Retiree’s employment by City. This Agreement supersedes all other prior and contemporaneous agreements and statements, whether written or oral, express or implied, pertaining in any manner to the employment of Retiree, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements. To the extent that the practices, policies, or procedures of City, now or in the future, apply to Retiree and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control.

7.7 Amendments. This Agreement may not be amended except in a written document signed by Retiree, approved by the City Council and signed by the City’s Mayor.

7.8 Waiver. Failure to exercise any right under this Agreement shall not constitute a waiver of such right.

7.9 Assignment. Retiree shall not assign any rights or obligations under this Agreement. City may, upon prior written notice to Retiree, assign its rights and obligations hereunder.

7.10 Severability. If a court or arbitrator holds any provision of this Agreement to be invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force and effect.

7.11 Attorneys’ Fees. In any legal action, arbitration, or other proceeding brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys’ fees and costs.

7.12 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, with venue proper only in San Bernardino County, State of California.

7.13 Interpretation. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any party. By way of example and not in limitation, this Agreement shall not be construed in favor of the party receiving a benefit nor against the party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the Parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, cancelled superseded or changed by any oral agreement, course of conduct, waiver or estoppel.

7.14 Acknowledgment. Retiree acknowledges that he has had the opportunity to consult legal counsel in regard to this Agreement, that he has read and understands this Agreement, that he is fully aware of its legal effect, and that he has entered into it freely and voluntarily and based on his own judgment and not on any representations or promises other than those contained in this Agreement.

7.15 Abuse of Office; Reimbursement to City. Pursuant to Government Code section 53243, et seq., if Retiree is convicted of a crime involving an abuse of his office or position, all of the following shall apply: (1) if Retiree is provided with administrative leave pay pending an investigation, Retiree shall be required to fully reimburse such amounts paid; (2) if the City pays for the criminal legal defense of Retiree (which would be in its sole discretion, as it is generally not obligated to pay for a criminal defense), Retiree shall be required to fully reimburse such amounts paid; and (3) if this Agreement is terminated, any cash settlement related to the termination that Retiree may receive from the City shall be fully reimbursed to the City. For this Section, abuse of office or position means either: (1) an abuse of public authority, including waste, fraud, and violation of the law under color of authority; or (2) a crime against public justice, including a crime described in Title 7 commencing with section 92 of the Penal Code.

IN WITNESS WHEREOF, City has caused this Agreement to be signed and executed on its behalf by its Mayor and duly attested to by its City Clerk, and Retiree has signed and executed this Agreement, as of the date first indicated above.

**INTERIM CITY MANAGER**

**CITY OF FONTANA**

\_\_\_\_\_  
Shannon Yauchzee

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

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Tonia Lewis, City Clerk

\_\_\_\_\_  
Best Best & Krieger LLP  
City Attorney

## **RESOLUTION NO. 2021 -**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA APPROVING THE INTERIM CITY MANAGER EMPLOYMENT AGREEMENT FOR SHANNON YAUCHZEE**

**WHEREAS**, Government Code sections 7522.56 and 21221(h) permit the City of Fontana ("City") to appoint a California Public Employees' Retirement System ("CalPERS") retired annuitant to a vacant position requiring specialized skills during recruitment for a permanent appointment, and provides that such appointment will not subject the retired person to reinstatement from retirement or loss of benefits so long as it is a single appointment that does not exceed 960 hours in a fiscal year; and

**WHEREAS**, the City Council appointed Shannon Yauchzee, a CalPERS retiree, as interim City Manager at its special meeting on September 21, 2021 in conformance with Government Code section 21221(h) subject to approval of an employment agreement; and

**WHEREAS**, Shannon Yauchzee has extensive experience in managing, directing and overseeing an organization like the City given his prior experience as city manager, most recently for the City of Baldwin Park; and

**WHEREAS**, an appointment under Government Code Section 21221(h) requires an active, publicly posted recruitment for a permanent replacement; and

**WHEREAS**, the recruitment for a permanent replacement active and publicly posted on the City's website at <https://www.fontana.org/jobs.aspx>; and

**WHEREAS**, an employment agreement setting forth the terms of Mr. Yauchzee's appointment as Interim City Manager, a copy of which is incorporated herein as Exhibit A, has been prepared and presented to the City Council for approval.

### **NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF FONTANA RESOLVES AS FOLLOWS:**

**SECTION 1.** All facts set forth in the background section of this Resolution are true and correct.

**SECTION 2.** The City Council hereby approves the employment agreement with Shannon Yauchzee, as Interim City Manager.

**SECTION 3.** The Mayor is authorized to execute said agreement on behalf of the City, with such technical amendments as may be deemed appropriate by the Mayor and City Attorney.



**EFFECTIVE DATE:** September 28, 2021

**APPROVED AND ADOPTED** this 28<sup>th</sup> day of September, 2021.

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

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

I, Tonia Lewis, City Clerk of the City of Fontana, and Ex-Officio Clerk of the City Council, do hereby certify that the foregoing Resolution is the actual Resolution duly and regularly adopted by the City Council of said City at a regular meeting thereof, held on September 28, 2021, by the following vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

\_\_\_\_\_  
City Clerk of the City of Fontana

\_\_\_\_\_  
Mayor of the City of Fontana

Resolution 2021-

**ATTEST:**

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