

City of Fontana

8353 Sierra Avenue
Fontana, CA 92335



Regular Agenda

Next: Ord. No. 1875 Reso. No. 2021-106

Tuesday, October 26, 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

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. City Council Workshop**

(A) Redistricting (City Attorney Ruben Duran to present);

[21-830](#)

(B) Public Communications:

(C) Agenda Review, and

(D) City Manager Comments

Attachments: [Fontana Redistricting Public Hearing Notice 2 \(09-28-2021\).docx.pdf](#)

[Second Public Hearing Presentation - October 26, 2021.pdf](#)

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**[21-850](#)

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 PURSUANT TO GOVERNMENT CODE
SECTION 54956.9(a)**

Case: Jorge Velasquez vs. City of Fontana Workers'
Compensation
Claim Numbers: 170800089; 191100050 and 200200061
Cumulative Trauma

**CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED
LITIGATION**

Significant exposure to litigation pursuant to paragraph (2)
of subdivision (d) of Section 54956.9: One potential case

CALL TO ORDER/ROLL CALL:

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

INVOCATION/PLEDGE OF ALLEGIANCE:

- A. Invocation led by Fontana Police Department Chaplain Victor Nolen / Pledge
of Allegiance:

PROCLAMATION:

- A. Proclamation

A. Mayor Warren and City Council to Proclaim the Month of
October as Breast Cancer Awareness Month (Mayor
Warren to present).

[21-881](#)**SPECIAL PRESENTATIONS:**

- A. Special Presentations

A. Police Department September 2021 Employees of the Month [21-963](#)

Mayor Warren and City Council to recognize Corporal Edward Stewart, Officers Paul Beltran, Michael Bernath, Andrew Hackett, Joshua Nassar, Samuel Saenz, Justin Summers and Community Service Officers Brianna Chairez, Autumn Hubbard, Marcela Javier, Adrianna Manning and Bethany Martinez as the Police Department's September 2021 Employees of the Month (Captain Burton 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 [21-973](#)

Approve the minutes of the October 12, 2021, Regular City Council Meeting.

Attachments: [DRAFT - October 12, 2021.pdf](#)

B. Approve Encroachment Agreement with Crown Castle Fiber, LLC [21-858](#)

Approve and authorize the City Manager to execute the Encroachment Agreement with Crown Castle Fiber, LLC

Attachments: [Fontana Encroachment Agreement with Crown Castle\(P\).pdf](#)

C. Purchase and installation of Artificial Turf, Restroom/Concession and Storage Buildings, Playground Equipment and Shade Structures and purchase of material only of Fitness Equipment and Musco Lighting for South Fontana Park Project [21-917](#)

1. Approve and authorize the Purchasing Office to “Piggy-Back” from the California Multiple Award Schedule (CMAS) for the purchase of the following for South Fontana Park project:
 - a. FieldTurf USA, Inc. in the amount of \$1,707,212.00 for the purchase and installation of artificial turf and authorize a 10% construction contingency in the amount of \$170,721.20
 - b. Landscape Structures, Inc. in the amount of \$433,172.61 for the purchase and installation of playground equipment and authorize a 10% construction contingency in the amount of \$43,317.26
 - c. Romtec, Inc. in the amount of \$1,298,414.52 for the purchase and installation of a new restroom/concession and storage buildings and authorize a construction contingency in the amount of \$129,841.45.
 - d. Greenfields Outdoor Fitness in the amount of \$92,417.43 for the purchase of exercise/fitness equipment and authorize a 10% construction contingency in the amount of \$9,241.74
2. Approve and authorize the Purchasing Office to “Piggy-Back” from the Sourcewell contract for the purchase of the following for South Fontana Park project:
 - a. USA Shade & Fabric Structures in the amount of \$948,440.00 for the purchase and installation of shade structures and authorize a 10% construction contingency in the amount of \$94,844.00
 - b. Musco Lighting in the amount of \$717,000 for the purchase of sports field lighting and authorize a 10% construction contingency in the amount of \$71,700.00

Attachments: [Field Turf USA Proposal](#)
[Landscape Structures Proposal](#)
[Romtec Proposal](#)
[Greenfields Proposal](#)
[USA Shade Proposal](#)
[Musco Lighting Proposal](#)

D. Final Acceptance of Subdivision Improvements for Tract No.'s 18894 and 20132 ..End [21-936](#)

1. Accept as complete the Subdivision Improvements for Tract No.'s 18894 and 20132 located north of Arrow Boulevard and east of Tamarind Avenue.

2. Adopt **Resolution No. 2021-_____**, accepting sewers in Tract No.'s 18894 and 20132 as part of the City sewer system.

Attachments: [RESOLUTION - 18894 AND 20132.pdf](#)

[VICINITY MAP.pdf](#)

[MAP 18894.pdf](#)

[MAP 20132.pdf](#)

E. Final Acceptance of Subdivision Improvements for Tract Map No. 17317 [21-937](#)

1. Accept as complete the Subdivision Improvements for Tract No. 17317 located on the southeast corner of Citrus Avenue and Walnut Street.

2. Adopt **Resolution No. 2021-_____**, accepting sewers in Tract No. 17317, as part of the City sewer system.

Attachments: [Vicinity Map.pdf](#)

[Tract Map.pdf](#)

[Sewer Resolution.pdf](#)

F. New Athletic Field Tiered Fee Proposal [21-949](#)

Review, Discuss and Approve the Proposed Athletic Field Permit Process and User Fees.

G. Police Department Monthly Information Update [21-962](#)

Accept the Police Department monthly information update for September 2021.

H. CalHome Program Notice of Available Funding and Application Resolution [21-964](#)

1. Adopt **Resolution No. 2021-_____** authorizing the submittal of a \$500,000 application to the California State Department of Housing and Community Development (HCD) for funding provided under the CalHome Program Notice of Available Funding (NOFA).
2. Authorize the City Manager to execute any documents necessary or appropriate to complete said application.

Attachments: [CalHOME Resolution 2021.docx](#)

- I. **2022 Selective Traffic Enforcement Program Grant Award (STEP) PT22171** [21-967](#)

Attachments: [OTS 22-23 Grant PT22171.pdf](#)

- J. **OPEB/Pension 115 Trust Funding** [21-989](#)

Authorize the Deputy City Manager to execute agreements with Shuster Advisory Group LLC, Charles Schwab Trust Bank, and Alta Trust Company to create 115 trust accounts for the funding of Future OPEB Liabilities and Pension Funding for Future Obligations and have Shuster provide professional investment advisory services for the investment portfolios.

- K. **Fiscal Year 2021/22 First Quarter Budget Status Report** [21-983](#)

1. Approve the recommended Fiscal Year 2021/2022 First Quarter Budget adjustments
2. Adopt **Resolution No. 2021-** _____ of the City Council of the City of Fontana adopting revised job descriptions for specific classifications throughout the City
3. Adopt **Resolution No. 2021 -** _____ of the City Council of the City of Fontana adopting the updated job description and salary range for the classification of Police Communications Supervisor and the updated Management Confidential Salary Table

Attachments: [FY21-22 First Quarter Budget Status Report.pdf](#)
[CC Reso Q1 FY 2021-22 Various Job Descriptions.pdf](#)
[CC Reso Q1 FY 2021-22 Police Comm Supervisor](#)

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. 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. Public Hearing and adoption of HUD ESG-CV Substantial Amendment [21-884](#)

1. Adopt the draft Substantial Amendment to the CDBG-CV and ESG-CV Action Plan;
2. Authorize the City Manager to execute and transmit any documents necessary or desirable to ensure the City's timely receipt of Community Development Block Grant-CARES Act (CDBG-CV) and Emergency Solutions Grant-CARES Act (ESG-CV) funding.

Attachments: [CARES Act Substantial Amendment Fontana 9-2021](#)

- B. Appeal No. 21-004: A request for an appeal to overturn the Planning Commission's decision on August 17, 2021, approving Tentative Parcel Map No. 20235 (TPM No. 20-014) and Design Review No. 20-019 for a new warehouse building totaling approximately 247,786 square foot including a maximum of two potential office/mezzanine space of approximately 4,000 square foot each, 34 warehouse dock doors, two ground level loading doors, 117 automobile parking spaces, and 50 trailer parking spaces. The building will have a maximum height of 42-foot. The site is located on the northeast corner of the intersection of Washington Drive and Redwood Avenue the Light Industrial (M-1) Zoning District within the City of Fontana.** [21-943](#)

Deny Appeal No. 21-004, and uphold the Planning Commission's decision on August 17, 2021, approving Tentative Parcel Map No. 20235 (TPM No. 20-014), and Design Review No. 20-019 to construct a new proposed warehouse building totaling approximately 247,786 square foot including a maximum of two potential office/mezzanine space of approximately 4,000 square foot each, 34 warehouse dock doors, two ground level loading doors, 117 automobile parking spaces, and 50 trailer parking spaces, and add additional voluntary Conditions of Approval.

Attachments: [Attachment No. 1 - Appeal Letter](#)
[Attachment No. 2 - Vicinity Map](#)
[Attachment No. 3 - Site Plan](#)
[Attachment No. 4 - Elevations and Rendering](#)
[Attachment No. 5 - Final Planning Commission Staff Report - August 2021](#)
[Attachment No. 6 - Planning Commission Meeting Minutes](#)
[Attachment No. 7 - Appeal Response Letter by T&B Planning, Incorporated](#)
[Attachment No. 8 - Additional Conditions of Approval](#)
[Attachment No. 9 - Clerk of the Board Receipt and Signed NOD - August 2021](#)
[Attachment No. 10 - Appeal 21-004 Public Notice](#)

C. Public Hearing on Formation of Community Facilities District No. 107 (Highland) [21-969](#)

1. Adopt Resolution No. 2021-_____ of the City Council of the City of Fontana of formation of the City of Fontana Community Facilities District No.107 (Highland), authorizing the levy of a special tax within the community facilities district and establishing an appropriations limit for the community facilities district.
2. Adopt Resolution No. 2021-_____ of the City Council of the City of Fontana deeming it necessary to incur bonded indebtedness within the City of Fontana Community Facilities District No.107 (Highland).
3. Adopt Resolution No. 2021-_____ of the City Council of the City of Fontana calling special election for City of Fontana Community Facilities District No. 107 (Highland).
4. Adopt Resolution No. 2021-_____ of the City Council of the City of Fontana declaring results of special election and directing the recording of notice of special tax lien.
5. Read by title only and waive further reading of and introduce Ordinance No. _____ levying special taxes within the City of Fontana Community Facilities District No. 107 (Highland); and that the reading of the title constitutes the first reading thereof.
6. Adopt Resolution No. 2021-_____ of the City Council of the City of Fontana authorizing the execution and delivery of a Letter of Credit Agreement and an Acquisition and Funding Agreement.

Attachments: [Authority Authorizing Resolution 4833-7001-6244 7.docx](#)
[Authority Resolution Escrow Agreement \(2010 Bonds\) 4838-0884-8884 3.docx](#)
[Authority Resolution Termination of Lease \(2003 Bonds\) 4849-7704-5753 3.docx](#)
[City Authorizing Resolution 4825-9682-2516 7.docx](#)
[Assignment Agreement 4845-1302-9620 6.docx](#)
[BPA - Fontana PFFA Lease Revenue Bonds Series 2021A.docx](#)
[Escrow Agreement \(2010 Bonds\), 4835-6904-7028 4.docx](#)
[Ground Lease 4813-8624-4852 6.docx](#)
[Indenture for Fontana 4825-9728-4852 7.docx](#)
[Lease Agreement 4829-3204-2484 7.docx](#)
[Memorandum of Lease 4844-9088-1780 6.docx](#)
[Preliminary Official Statement - Fontana PFFA 2021 Lease Revenue Bonds 4....docx](#)

D. Hearing for the Consideration of a RON to acquire permanent/temporary easement for the Duncan Canyon Road Project [21-979](#)

1. Conduct a public hearing to consider the adoption of a proposed Resolution of Necessity, including providing all interested parties of the affected property, their attorneys or their representatives an opportunity to be heard on the issues relevant to the resolution of necessity.

2. Make the following findings as hereinafter described in this report:

(a) The public interest and necessity require the proposed project;

(b) The proposed project is planned or located in the manner that will be most compatible with the greatest public good and least private injury;

(c) The real property described in Exhibits A and B are necessary for the proposed project;

(d) The offers required by section 7267.2 of the California Government Code were made; and

(e) The public use for which the property sought to be acquired and described in the Resolution of Necessity is a more necessary public use than the use to which the property is appropriated.

3. Adopt **Resolution No. 2021-___**. Resolution of Necessity by the City Council of the City of Fontana, declaring that the acquisition permanent street easements and temporary construction easement interests in certain real property located in the City of Fontana, San Bernardino County, California, more particularly described as Assessor Parcel Nos. 0239-081-23, 0239-081-24, and 0239-151-18, by eminent domain, are necessary for street widening and related public infrastructure improvements to Duncan Canyon Road (intersection of Sierra Avenue and Duncan Canyon Road) for the Duncan Canyon Road Widening Project, in the City of Fontana, San Bernardino County, California.

Attachments: [Resolution No. 2021-.pdf](#)

[Exhibit A.pdf](#)

[Exhibit B.pdf](#)

CITY MANAGER COMMUNICATIONS:

A. City Manager Communications

ELECTED OFFICIALS COMMUNICATIONS/REPORTS:

A. Elected Officials Communications/Reports

ADJOURNMENT:

A. Adjournment

Adjourn to the next Regular City Council Meeting on Tuesday, November 9, 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

File #: 21-830

Agenda #:

Agenda Date: 10/26/2021

Category: Workshop

City Council Workshop

Tuesday, October 26, 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

NOTICE OF CITY COUNCIL PUBLIC HEARING

TO REECIVE PUBLIC INPUT AND PROPOSALS REGARDING CITY COUNCIL DISTRICT BOUNDARIES

NOTICE IS HEREBY GIVEN that, pursuant to California Elections Code Section EC 21607.1 the Mayor and City Council of the City of Fontana will hold a public hearing to receive input regarding potential redistricting of Council Member districts.

Public Hearing #1 and Public Hearing #2 are scheduled as follows:

DATE: October 12, 2021

TIME: 5:00 p.m.

LOCATION: City Council Chambers; 8353 Sierra Avenue, Fontana, California 92335

DATE: October 26, 2021

TIME: 5:00 p.m.

LOCATION: City Council Chambers; 8353 Sierra Avenue, Fontana, California 92335

The public is invited to attend and/or submit information regarding their Communities of Interest, and proposed division boundaries for the 2021 redistricting process. Draft maps will not be available until census-block level 2020 U.S. census data is released and analyzed, at Public Hearing #3.

Questions or input may also be emailed to: redistricting2021@fontana.org

Complete redistricting information can be found at www.fontana.org

October 1, 2021; October 15, 2021

/s/ Tonia Lewis
City Clerk



Redistricting 2021 First Public Hearing



2021 City of Fontana Redistricting

The 2021 redistricting process:

- Continued public input
- Key deadlines
- Next steps and hearings



Redistricting Process

Step	Description
Initial Pre-Draft Hearings (2)	Held prior to release of draft maps. Education and to solicit input from the community Identify “neighborhoods,” “communities of interest,” and “secondary areas.”
Initial deadline for draft maps	Deadline for the public to submit draft maps for inclusion in the next hearing packet and presentation
Release draft maps	Draft maps posted to project website
Public Hearings (post-map) (2)	Public Hearings to discuss and revise or adopt the draft map(s)
Map adoption	Map adopted via ordinance or resolution. Final map must be posted at least 7 days prior to adoption. May happen at Hearing 4.



Redistricting Rules and Goals

Federal Law

Equal Population
Federal Voting Rights Act
No Racial Gerrymandering

*Prohibited:
Shall not favor or discriminate against
an incumbent, a candidate, or a
political party.*

California Criteria for Cities

Geographically contiguous
Geographic integrity of a local
neighborhood, communities of
interest
Easily identifiable and
understandable – use of local
landmarks/boundary lines
Geographically compact

Other traditional principles

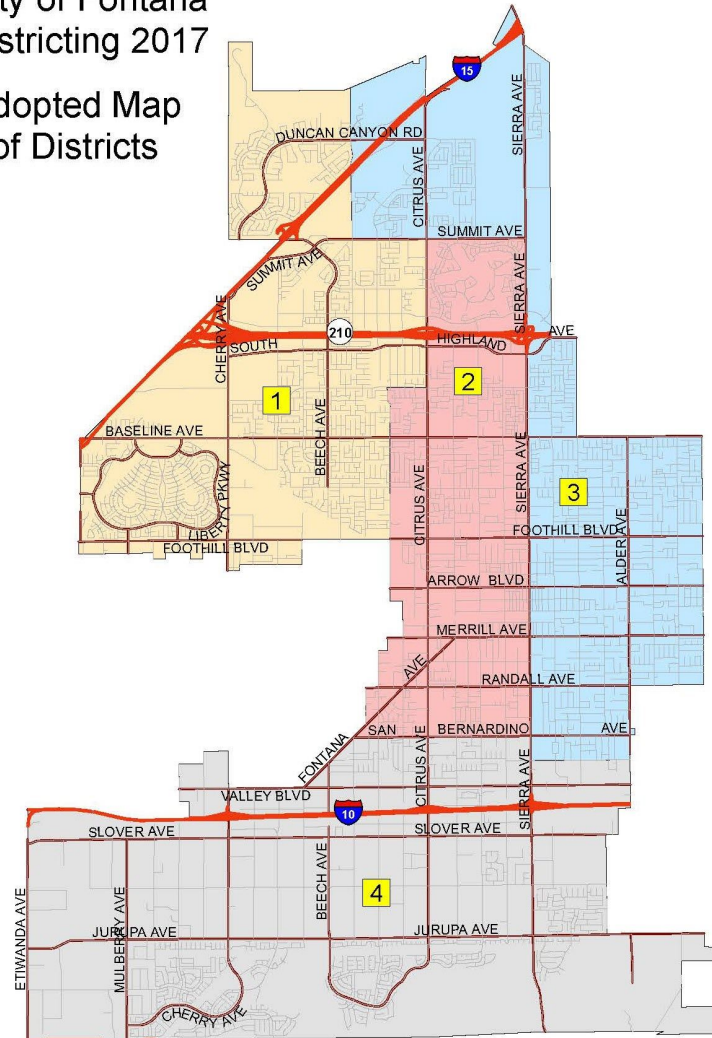
Minimize voters shifted to
different election years
Respect voters' choices /
continuity in office
Future population growth
Preserving the core of existing
districts



Existing Districts

City of Fontana
Districting 2017

Adopted Map
of Districts



Housing Stats

BBK

www.bbklaw.com
© 2021 BEST BEST & KRIEGER LLP

Defining Neighborhoods

1st Question: What is your neighborhood?

2nd Question: What are its geographic boundaries?

Examples of physical features defining a neighborhood boundary:

- ❑ Natural neighborhood dividing lines, such as highways, major roads, rivers, canals ,or hills
- ❑ Areas around parks or schools
- ❑ Other neighborhood landmarks

In the absence of public testimony, staff resources or planning records may be used to define neighborhoods and neighborhood boundaries



Beyond Neighborhoods: Defining Communities of Interest

1st Question: What defines your community?

- ☐ Geographic Area, plus
- ☐ Shared issue or characteristic
 - * *Shared social or economic interest that is impacted by city policies*
- ☐ Tell us your community story

2nd Question:

Would this community benefit from being “included within a single district for purposes of its effective and fair representation”?

- ☐ Or would it benefit more from having multiple representatives?

NOTE: Definitions of Communities of Interest may NOT include relationships with political parties, incumbents, or political candidates.



Public Hearing & Discussion

- What is your neighborhood and what are its boundaries?
- What other notable areas are in the city, and what are their boundaries?
- Inform the public on how they can participate
- Any questions about what's next?

For this public hearing, Council will take public testimony and provide additional input regarding preferred map boundaries.



Timeline & Next Steps

- NDC will begin drawing maps using information conveyed at the first two public hearings
- Two additional public hearings must be held before the Council may vote on a proposed final boundary map.
- The approved map must be submitted to the San Bernardino County Registrar of Voters no later than April 17, 2022.



Timeline & Next Steps

October 26, 2021	2 nd public hearing Held prior to the release of draft maps
No Later Than November 15, 2021	Mapping tool released to the public
Fall/Winter 2021/22	NDC to prepare draft maps using 2020 census data
January 14, 2022	Deadline for the public to submit draft maps for consideration at 3 rd public hearing
January 18, 2022	Publish draft map(s)
January 25, 2022	3 rd public hearing Consideration and input on proposed draft maps
March 8, 2022	4 th public hearing Council to introduce ordinance approving final maps.
April 17, 2022	City deadline to adopt ordinance after 2 nd reading (effective immediately) and to submit map to Registrar.
November 2022	2022 election





City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

City Council Meeting

File #: 21-850

Agenda #:

Agenda Date: 10/26/2021

Category: Closed Session

Closed Session

Tuesday, October 26, 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 #: 21-881

Agenda #:

Agenda Date: 10/26/2021

Category: Proclamation

Proclamations

Tuesday, October 26, 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



City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

City Council Meeting

File #: 21-963

Agenda #:

Agenda Date: 10/26/2021

Category: Special Presentation

FROM:

Police Department

SUBJECT:

Police Department September 2021 Employees of the Month

RECOMMENDATION:

Mayor Warren and City Council to recognize Corporal Edward Stewart, Officers Paul Beltran, Michael Bernath, Andrew Hackett, Joshua Nassar, Samuel Saenz, Justin Summers and Community Service Officers Brianna Chairez, Autumn Hubbard, Marcela Javier, Adrianna Manning and Bethany Martinez as the Police Department's September 2021 Employees of the Month (Captain Burton to present).



City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

City Council Meeting

File #: 21-973

Agenda #: A.

Agenda Date: 10/26/2021

Category: Consent Calendar

FROM:

City Clerk

SUBJECT:

Approval of Minutes

RECOMMENDATION:

Approve the minutes of the October 12, 2021, Regular 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 October 12, 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, October 12, 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, Planning Commission and Parks, Community and Human Services Commission Workshop**

The Joint City Council, Planning Commission, and Parks, Community and Human Services Workshop on Tuesday, October 12, 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 with Mayor Pro Tem Cothran, Council Members Roberts and Sandoval present. Council Member Garcia was absent. Planning Commission Chair Fort announced that all Commissioners were present. Parks, Community and Human Services Commission Secretary Key and Commissioner Glass were present. Parks, Community and Human Services Chair Ahumada and Commissioner Quintana were absent.

The City Council Regular meeting agenda was reviewed and City Manager's comments were heard.

Deputy City Clerk Ashton Gout announced that 6 written correspondences were received regarding Workshop Item A: Redistricting.

The following individuals spoke under public communications:

Amparo Munoz spoke on her concerns of the redistricting process.

Ana Gonzalez spoke on her concerns of the redistricting process.

Kareem Gongora spoke on his concerns of the redistricting process.

A. Redistricting

Deputy City Clerk Gout introduced Stephanie D. Smith, BBK Director of Election Services to present on Redistricting. During the presentation, Director Smith went over the Redistricting process, project timeline and next steps and hearings; noting that this is only the first Public Hearing of the required four hearings. The City of Fontana currently has four districts, with the Mayor at-large. The upcoming Public Hearing, which would be the second public hearing out of the four required, will be an opportunity for the public to provide comments regarding the districts and their neighborhoods and communities of interest. The final map must be approved by the Council and submitted to the San Bernardino County Registrar of Voters no later than April 17, 2022.

Director Smith ensured the Council and the public that the City Clerk's Office will be launching a Redistricting webpage on the City website to be used as a resource throughout this process, as well as utilizing Social Media platforms and newspapers to get the word out about upcoming Public Hearings.

B. Commission Charters

Deputy City Manager Phil Burum and Director of Parks and Community Services Garth Nelson both assisted with presenting an update on the Commission Charters Rules and Regulations. During the presentation, questions and comments were raised by the City Council regarding the processes stated within the proposed Resolution. City Council and the Commission's would like to have staff collect additional information and bring it back to a Joint meeting for discussion.

In addition, Deputy City Manager Burum proposed the remaining time of the workshop be comprised of conversation discussing drive-thru's as this meeting was agendized to discuss the Commission vision as it remains consistent with the City Council's vision. Both City Attorney Duran and Mayor Warren approved this dialogue to move forward as requested. Council voiced their desire to have more information on higher demand food chains for the need of space, as well as a more clear application process for the businesses to follow. The conversation led to staff requesting the Council and Commission's to provide staff with some input on topics so that staff can generate an agenda for a future Workshop to discuss in more length.

The Workshop adjourned at 6:02 p.m.

CLOSED SESSION:

A. 6:00 P.M. CLOSED SESSION

A Closed Session was held in the City Hall Executive Conference Room at 6:02 p.m. with all members of the City Council present.

PUBLIC COMMUNICATION - CLOSED SESSION:

A. Public Communications - Closed Session

No public communication was received on the following closed session items:

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
(Government Code Section 54956.9 (d)(1).)

Name of Case: Alexander Herd, et al. v. City of Fontana

U.S. District Court, Central District of California; Case No. 5:17cv-02545-AB-SP

CALL TO ORDER/ROLL CALL:

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

A Regular meeting of the Fontana City Council was held in the Grover W. Taylor Council Chambers, 8353 Sierra Avenue, Fontana, CA 92335 on Tuesday, October 12, 2021. Mayor Warren called the meeting to order at 7:04 p.m.

ROLL CALL:

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

Absent: None

INVOCATION/PLEDGE OF ALLEGIANCE:

A. Fontana Police Department Chaplain Victor Nolen / Pledge of Allegiance

Following the invocation by Fontana Police Chaplain Victor Nolen, the pledge of allegiance was led by Council Member Roberts.

CLOSED SESSION ANNOUNCEMENT

City Attorney Duran reported that the City Council met in Closed Session on the two items listed on the agenda and took no reportable action.

PROCLAMATION:

[21-945](#)

A. Mayor Warren and City Council to proclaim October as Cybersecurity Awareness Month (Acting Information Technology Director Jennifer Barcenas to present).

The Mayor and City Council proclaimed October as Cybersecurity Awareness Month with the assistance of Acting Information Technology Director Jennifer Barcenas.

SPECIAL PRESENTATIONS:

[21-923](#)

A. Mayor Warren and City Council to recognize City Manager Mark Denny (Mayor Warren and City Council to present)

The Mayor and City Council recognized City Manager Denny for his 18 months of service to the City of Fontana and congratulated him on his next endeavor. The entire Council thanked City Manager Denny for his thoughtfulness and commitment to the organization and community in such a trying time.

B. Mayor Warren and City Council to swear in new Fontana Police Officers Jonathan Bagley, Luke Gober, Marcio Greggio, Jack Ho, and Hector Iniguez (Chief Green to present).

The Mayor and City Council sworn in new Fontana Police Officers Bagley, Gober, Greggio, Ho and Iniguez, with the assistance of their family members. The Council and community welcomed the newly sworn officers and thanked them for being apart of the Fontana team.

PUBLIC COMMUNICATIONS:

A. Public Communications

The following individuals spoke under public communications:

Amparo Munoz commented on the Aquatics Center staff and thanked them for their patience and understanding with her son and asked staff to reconsider their current policy on lap swimming requirements.

Ronald Dale Evans, Representing the Fontana Exchange Club, provided a brief overview of the Exchange Club and closed in recognition of those honored during their Book of Golden Deeds Ceremony; amongst the honored was City Treasurer Janet Koehler-Brooks and City Clerk Lewis' late-husband, Don Lewis.

Elizabeth Sena spoke on the Redistricting presentation from the Workshop and encouraged the community to participate in this process; spoke on concerns of the Housing Element report; and voiced her desire for the Council moving back into a hybrid model, allowing public to participate virtually.

CONSENT CALENDAR:

No public communications were received.

Mayor Warren asked that Item B be pulled for a brief review by City Manager Denny. City Manager Denny provided a quick overview of the Telework Policy and agreement being presented to the Council.

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-F" . The motion carried by the following vote: (AYES: Warren, Cothran, Garcia, Roberts, and Sandoval; NOES: None; ABSTAIN: None)

A. Approval of Minutes

[21-942](#)

- Approve the minutes of the September 21, 2021 Special City Council Meeting and the September 28, 2021, Regular City Council Meeting.
- B.** [21-947](#)
To adopt the Telework Policy and Telework Agreement to the Administrative Policy and Procedures
- C.** [21-924](#)
Award Bid for HVAC Full-Service Maintenance and Replacement, SP-03-PW-22
Award Bid and authorize the City Manager to execute a contract with Allison Mechanical Inc. for HVAC Full-Service Maintenance Replacement, for a period of two (2) years, renewable for (3) three one-year increments at the City's sole discretion (SP-03-PW-22).
- D.** [21-913](#)
Donation of Surplus Vehicles to the Fontana Unified School District
Approve the donation of City surplus vehicles to the Fontana Unified School District.
- E.** [21-864](#)
Purchase of Crossroads Software and Integration
1. Approve the purchase of the Crossroads Software for electronic collection of traffic related data and integration with Central Square RMS in the amount of \$ 102,000.00.
2. Authorize the Chief of Police or his assigned designee to sign the agreement between the Crossroads Software and the Fontana Police Department for the total amount of \$102,000.00.
3. Allow the Chief of Police or his assigned designee to continue to renew the annual maintenance agreements as long as it remains in the best interest of the City of Fontana.
- F.** [21-928](#)
Resolution of the Governing Body of the City of Fontana
Authorizing Participation in the State Rental Assistance Program-2
Adopt **Resolution No. 2021-103** a Resolution of the City Council of the City of Fontana authorizing participation in the State Rental Assistance Program -2.

PUBLIC HEARINGS:

- A.** [21-903](#)
Issuance of Fontana Public Facilities Financing Authority Lease Revenue Bonds, Series 2021A

Council Member Garcia announced his recusal of this item due to owning property near the project and exited the Chambers.

Mayor Warren opened the public hearing.

Accounting Manager George Pirsko provided the staff report.

There were no public communications received on this item.

Mayor Warren closed the public hearing.

ACTION: Motion was made by Council Member Sandoval, seconded by Council Member Roberts, and passed by a vote of 4-0-1 to adopt Public Hearing Item "A" as follows:

Adopt Resolution No. 2021-104 of the City Council of the City of Fontana authorizing the execution and delivery by the City of a Ground Lease, Lease Agreement, Indenture, Escrow Agreement, Continuing Disclosure Certificate and Bond Purchase Agreement in connection with the issuance of Fontana Public Facilities Financing Authority Lease Revenue Bonds, Series 2021A, approving the issuance of such Bonds in an aggregate principal amount of not to exceed \$28,000,000, authorizing the distribution of an Official Statement in connection with the offering and sale of such Bonds and authorizing the execution of necessary documents and certificates and related actions.

The motion carried by the following vote: (AYES: Warren, Cothran, Roberts, and Sandoval; NOES: None; ABSTAIN: Garcia)

- B.** Approve a Resolution Eliminating Fee Reductions for High-Cube and Light Industrial Development Circulation Fees

[21-879](#)

Mayor Warren opened the public hearing.

Engineering Manager Gia Kim provided the staff report.

There were no public communications received on this item.

Mayor Warren closed the public hearing.

**ACTION: Motion was made by Council Member Garcia, seconded by Council Member Roberts, and passed unanimously by a vote of 5-0 to adopt Public Hearing Item "B" as follows:
Approve Resolution No. 2021-105, Eliminating fee reductions for Development Impact Fees for the Circulation Fees**

The motion carried by the following vote:(AYES: Warren, Cothran, Garcia,

Roberts, and Sandoval; NOES: None; ABSTAIN: None)

CITY MANAGER COMMUNICATIONS:

A. City Manager Communications

City Manager Denny thanked the Mayor and City Council for their recognition to his departure with the City; thanked the Executive Team and City staff for all their hard work and commitment to the organization; thanked retired Management Services Director Lisa Strong for her hard work and commitment, improving the City's credit rating; and closed in recognition of the Fontana Police Chief Billy Green and the Fontana Fire District Assistant Chief Jeff Birchfield for their commitment to the community.

ELECTED OFFICIALS COMMUNICATIONS/REPORTS:

A. Elected Officials Communications/Reports

Council Member Garcia thanked City Manager Denny for his service.

Mayor Pro Tem Cothran spoke on his recent attendance the Let's Move on the Trail event.

Council Member Sandoval welcomed the new Police Officers; thanked the Community Services and Public Works team on the recent event with the LA Dodgers at the Dream Field; asked staff to look into possible shelters to take people in Fontana who are experiencing homelessness; announced the evolving shortage of teachers and nurses due to the pandemic and recent mandates; asked staff to look into additional signage to be placed at the Senior Center; and closed in wishing Public Affairs Manager Robert Torres a Happy Birthday.

Council Member Roberts congratulated the new Police Officers; welcomed Interim City Manager, Shannon Yachzee; and closed with comments about outgoing City Manager Denny.

Mayor Warren asked staff to provide a COAST presentation update regarding homeless;

ADJOURNMENT:

A. Adjournment

Mayor Warren adjourned the meeting at 8:24 p.m. to the next Regular City Council Meeting on October 26, 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

File #: 21-858

Agenda #: B.

Agenda Date: 10/26/2021

Category: Consent Calendar

FROM:

Engineering

SUBJECT:

Approve Encroachment Agreement with Crown Castle Fiber, LLC

RECOMMENDATION:

Approve and authorize the City Manager to execute the Encroachment Agreement with Crown Castle Fiber, LLC

COUNCIL GOALS:

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

DISCUSSION:

Crown Castle Fiber, LLC requested to install communication network facilities in the City's public right-of-way to provide high-speed internet access for 36,000 students of Fontana Unified School District. The proposed encroachment agreement with Crown Castle will delineate permitted types of work, requirements, maintenance, and operations of installed network facilities within the public right of way. In addition, the encroachment agreement indicates that installation and maintenance of any Crown Castle's facility will be subordinate to any City's use and operation.

FISCAL IMPACT:

There is no fiscal impact.

MOTION:

Approve staff recommendation.

ENCROACHMENT AGREEMENT WITH CROWN CASTLE FIBER LLC

THIS MASTER ENCROACHMENT AGREEMENT (“AGREEMENT”) is issued by the CITY OF FONTANA, a California municipal corporation and general law city (“CITY”), to CROWN CASTLE FIBER LLC (“PERMITTEE”). CITY and PERMITTEE are sometimes hereinafter referred to individually as “Party” and collectively as the “Parties.”

RECITALS

A. PERMITTEE is a New York limited liability company with an office located at 2000 Corporate Drive, Canonsburg, PA 15317.

B. CITY owns an interest in the RIGHT-OF-WAY (as defined below) .

C. PERMITTEE is a telephone corporation and as such has a non-exclusive franchise to use the RIGHT-OF-WAY under Cal. Pub. Util. Code § 7901, subject to the exercise of the City’s police powers consistent with Cal. Pub. Util. Code §§ 7901 and 7901.1, and 2902.

D. PERMITTEE desires to install communications network facilities in the RIGHT-OF-WAY.

E. CITY agrees to grant to PERMITTEE the right, subject to obtaining all required permits and approvals, to encroach upon certain portions of the RIGHT-OF-WAY for the installation and maintenance of FACILITIES subject to the terms and conditions contained herein.

CITY HEREBY ISSUES THIS ENCROACHMENT AGREEMENT TO PERMITTEE, AND THE PARTIES HEREBY AGREE AS FOLLOWS:

1. **Encroachment Permission.** CITY hereby provides to PERMITTEE permission to encroach upon the RIGHT-OF-WAY, for the purpose of installing repairing, operating, and maintaining FACILITIES, which include fiber optic cables, including tracer/locating wire and safety tape, conduits, handholes, manholes, vaults, cabinets, and fiber warner marker signs, and related facilities to be used or be useful for the transmission of communications services PERMITTEE warrants it is authorized to provide (each a “FACILITY” or, collectively, “FACILITIES”) on, over, under, and across certain portions of the RIGHT-OF-WAY, subject to the limitations set forth herein and PERMITTEE’s fulfillment and ongoing compliance with the terms and conditions set forth herein. “FACILITIES” do not include any wireless facilities, including personal wireless services facilities as defined in 47 U.S. Code § 332(c)(7)(C)(ii), antennas, or radios.

a. “RIGHT-OF-WAY” herein shall mean the portion of any road or public way that is dedicated or deeded to the public for public use and under the control of a public agency. For avoidance of doubt, the term does not include CITY-owned buildings, land or other property located outside of the RIGHT-OF-WAY, or any infrastructure located within the RIGHT-OF-WAY, including, without limitation PUBLIC IMPROVEMENTS (as defined in Section 2(a))

or other poles, traffic light poles, wires, fiber-optic strands, conduit and street light poles owned by CITY.

b. The installation and maintenance of, and any use of, any FACILITY shall be subordinate to any use and operations which CITY may conduct during the effective period of this AGREEMENT, and PERMITTEE shall not cause any unreasonable delay or interference with CITY'S access to the RIGHT-OF-WAY. PERMITTEE shall not interfere with the operations of CITY in the RIGHT-OF-WAY, whether or not such interference is considered material.

c. This AGREEMENT is made subject to all easements, restrictions, conditions, covenants, encumbrances, and claims of title which may affect the RIGHT-OF-WAY on or before the date of this AGREEMENT, and it is understood that PERMITTEE, at its own cost and expense, shall obtain such permission as may be necessary and consistent with any other prior rights still in effect. Notwithstanding the foregoing, no reference herein to a "RIGHT-OF-WAY" shall be deemed to be a representation or guarantee by CITY that its interest or other rights to control the use of such property is sufficient to permit its use for PERMITTEE's purposes, and PERMITTEE shall be deemed to gain only those rights to use as are properly in City and as City may have the undisputed right and power to give.

2. Construction. PERMITTEE's right to install, repair, maintain, and use a FACILITY is limited and conditioned upon PERMITTEE applying and receiving the site-specific permits, and paying the requisite fees including any required plan check and inspection fees, that are otherwise required by the City of Fontana, including its Municipal Code, and implementing the protective measures and physical construction standards imposed herein, and in connection with the original approval and/or permitting of a FACILITY, as follows:

a. Immediately following completion of construction activities within the RIGHT-OF-WAY and installing a FACILITY, Permittee shall repair and restore both the RIGHT-OF-WAY, and repair and restore any improvements the CITY has made, or caused to made, to the RIGHT-OF-WAY including, without limitation, parkway landscaping with irrigation, landscape planters, sewer and water pipelines, Asphalt-Concrete/Portland Cement Concrete ("AC/PCC") pavement, traffic signals, conduit, and appurtenances thereto, and other infrastructure occupying the RIGHT-OF-WAY ("PUBLIC IMPROVEMENTS"), to their original conditions in accordance with the latest City Standards and to the satisfaction of the City Engineer.

b. This Agreement does not guarantee receipt of a particular permit or approval. CITY reserves the right, and PERMITTEE hereby acknowledges, that CITY may reject without liability the design drawings for any proposed construction and/or require any changes thereto if CITY determines, in its sole and absolute discretion, that such action is necessary to ensure CITY can adequately inspect, clean, maintain, repair, and replace CITY's existing PUBLIC IMPROVEMENTS and/or install additional public improvements within the RIGHT-OF-WAY.

c. PERMITTEE shall install and maintain each FACILITY in strict compliance with its approved final design drawings, and no changes or deviations shall be permitted without PERMITTEE first obtaining the prior written consent of CITY, which may be granted or denied in the CITY's reasonable discretion. For any such modifications or deviations from the approved final design drawings, the issuance of a new encroachment permit, in additional

to any other permits originally required for approval of the FACILITY, by the CITY for those changes and modifications shall be presumed to constitute the consent required under this Agreement.

d. A schedule of construction activities within the RIGHT-OF-WAY will be provided to and approved by CITY Engineer prior to the commencement of any construction work.

e. No heavy equipment shall be operated within or traverse the RIGHT-OF-WAY, when there is less than twenty-four (24) inches of soil over the existing PIPELINES.

f. No vibratory compaction will be allowed within the RIGHT-OF-WAY unless approved in writing by CITY.

g. All construction shall be open and subject to inspection by CITY, and PERMITTEE shall give notice and allow CITY to inspect any underground improvements prior to backfilling.

h. PERMITTEE shall be required to obtain and comply with all other necessary and required licenses, permits and authorizations from any governmental agency with jurisdiction over a FACILITY and to pay all fees and charges associated therewith prior to commencing any work on a FACILITY. This AGREEMENT does not grant permission to use or occupy CITY property other than the RIGHT-OF-WAY. This AGREEMENT does not grant permission to use or occupy property of CITY in the RIGHT-OF-WAY (such as light poles or conduit) nor does it grant permission to use or occupy property not belonging to, or under the control of CITY, and permission to use or occupy such property must be obtained from the owner or controller of such property, separate from and in addition to this AGREEMENT.

i. PERMITTEE shall not alter, replace, or otherwise change a FACILITY without complying with the terms of this Section 2, the City's Municipal Code, or any rules and policies the City implements.

j. **Restoration & Repair of Damage.** Unless the City provides otherwise in an individual Permit, any damage or disrepair caused directly or indirectly by PERMITTEE and/or any FACILITY, including during installation, maintenance, removal, relocation, or modification of any FACILITY for any reason, or due to neglect of a FACILITY, to the RIGHT-OF-WAY or to CITY's PUBLIC IMPROVEMENTS and other CITY property shall be repaired by PERMITTEE at its sole cost and expense, within forty-five (45) days after receiving written notice from CITY, unless the Parties mutually agree that CITY shall perform the work, or CITY must immediately perform such work in the event of an emergency or to perform legally mandated duties. The RIGHT-OF-WAY and PUBLIC IMPROVEMENTS must be restored to the same condition that existed prior to the placing of the FACILITY, reasonable wear and tear excepted. In no event shall PERMITTEE have any claim against the CITY for any of the costs of relocating, constructing, maintaining or removing the FACILITY.

- (i) If the Parties have mutually agreed that CITY shall perform the work, or PERMITTEE fails to timely restore or repair the RIGHT OF WAY and/or the PUBLIC IMPROVEMENTS within the specified timeframe, or if CITY must immediately perform such work in the event of an emergency or to

perform legally mandated duties, CITY may proceed with such work at the expense of PERMITTEE, and PERMITTEE shall reimburse CITY for any and all expenses incurred by CITY within thirty (30) days after receiving written demand and a statement from CITY detailing such costs.

3. Term. This AGREEMENT shall be effective upon the date of full execution by both PARTIES (“EFFECTIVE DATE”). Unless terminated pursuant to its terms, this AGREEMENT shall continue in full force and effect for fifteen (15) years following the EFFECTIVE DATE (“INITIAL TERM”).

a. Provided that PERMITTEE is not in default of this AGREEMENT beyond applicable notice and cure periods and neither PARTY has provided written notice to the other PARTY of its intention to terminate this AGREEMENT more than one hundred and eighty (180) days prior to the expiration of the INITIAL TERM, this AGREEMENT shall automatically be extended for unlimited additional, one (1) year terms (each a “RENEWAL TERM”). Either PARTY may terminate this AGREEMENT during any RENEWAL TERM by providing at least one hundred and eighty (180) days written notice to the other PARTY.

b. Upon termination of this Agreement, and upon written request by CITY, PERMITTEE, at its own cost and expense, shall remove or, at CITY's discretion, abandon in place some or all of its FACILITIES from the RIGHT-OF-WAY and restore said RIGHT-OF-WAY within ninety (90) days following termination. If PERMITTEE fails to abide by the removal order of CITY within the time prescribed, CITY shall have the right to remove the FACILITIES and restore the RIGHT-OF-WAY at PERMITTEE's sole cost and expense, and PERMITTEE shall reimburse CITY for any and all expenses incurred by CITY within thirty (30) days after receiving written demand and a statement from CITY detailing such costs.

c. Notwithstanding the termination of this Agreement, to the extent PERMITTEE's FACILITIES lawfully remain in the RIGHT-OF-WAY, PERMITTEE shall comply with reasonable time, place and manner regulations or any other lawful regulations imposed by the CITY that are authorized by Public Utilities Code Sections 7901 and 7901.1 or other applicable state or federal laws.

4. Permanent Removal, Relocation, and Abandonment. Subject to the provisions of this Section 4, CITY may require PERMITTEE at its sole expense and without cost or expense to CITY, to properly remove, relocate, or abandon any or all of the FACILITIES installed, used, and maintained under this AGREEMENT if and when such FACILITIES may be deemed by CITY to be detrimental to the public health, safety, or welfare; are in conflict vertically and/or horizontally with any proposed CITY installation; interfere with any CITY construction project; or must be removed, relocated, or abandoned due to any abandonment, change of grade, alignment or width of any street, sidewalk or other public facility by the CITY or other public agency, including the construction, maintenance, or operation of any other CITY underground or aboveground facilities including but not limited to any PUBLIC IMPROVEMENTS owned by City or any other public agency; provided, however, that PERMITTEE shall not be required to bear the expense of a removal, relocation or abandonment requested under this Section on behalf of, or for the benefit of, any private party unaffiliated with either Party.

a. If PERMITTEE is required to relocate its FACILITIES, CITY shall reasonably cooperate with PERMITTEE to determine a mutually acceptable location on the RIGHT-OF-WAY where PERMITTEE may relocate said FACILITIES. PERMITTEE will be required to apply for a new PERMIT to conduct work to relocate and re-install Facilities in the new location, the approval of which PERMIT shall not be unreasonably withheld. If the removal or relocation is caused by the CITY, then any PERMIT fees associated with such application shall be waived.

b. Such removal, relocation or abandonment shall be completed within **ninety (90) days** of written notice delivered by CITY specifying the affected FACILITIES and whether removal, relocation or abandonment is required, unless exigencies dictate a shorter period for removal, relocation, or abandonment, and such shorter period is stated in the written request (the “RRA NOTICE PERIOD”).

c. If removal, relocation or abandonment cannot reasonably be accomplished within the RRA NOTICE PERIOD, the PARTIES may agree in writing to a period longer than the RRA NOTICE PERIOD.

d. If PERMITTEE has not complied with such written request for removal, relocation or abandonment within the RRA NOTICE PERIOD or executed a written agreement to extend the RRA NOTICE PERIOD within the RRA NOTICE PERIOD, then, on the first business day immediately following the last day of the RRA NOTICE PERIOD, CITY may cause the removal, relocation or abandonment work to be done at PERMITTEE’s sole cost and expense and, in the case of relocation, may use its sole discretion to determine a new location for the FACILITIES. Under such circumstances, CITY shall only be obligated to perform such work in a manner consistent with the standard practices of CITY in performing street work and construction. CITY shall not be obligated to repair or replace any materials or improvements in a form or manner consistent with any applicable Permit or any plans and specifications submitted by PERMITTEE, and CITY shall not be responsible for any damages whatsoever to PERMITTEE as a result of CITY performing such work, unless CITY performs such work in a grossly negligent or reckless manner. PERMITTEE shall reimburse CITY for any and all expenses incurred by CITY within thirty (30) days after receiving written demand and a statement from CITY detailing such costs.

e. If CITY determines that any portions of the FACILITIES covered under this AGREEMENT are, for a period of **one-hundred and eighty (180) calendar days** or more, are either (a) no longer used by PERMITTEE, or (b) not operational, CITY shall send written notice to PERMITTEE seeking confirmation that such FACILITIES have been abandoned or are not in use. Within sixty (60) days of notice, PERMITTEE shall respond to the notice by confirming PERMITTEE has not abandoned the FACILITIES, or by removing the FACILITIES at its own expense, or, with CITY’s permission, by abandoning some or all the FACILITIES in place. If PERMITTEE does not respond to the notice within the required period, CITY may, at its option, proceed with removal at the expense of PERMITTEE, and PERMITTEE shall reimburse CITY for any and all expenses incurred by CITY within thirty (30) days after receiving written demand and a statement from CITY detailing such costs, or assume ownership of the FACILITIES. After such abandonment, PERMITTEE shall have no further rights to the FACILITIES. Under such circumstances, PERMITTEE shall cooperate in good faith to execute any documents necessary to convey title to the FACILITIES to the CITY.

f. In the event PERMITTEE removes, relocates or abandons its FACILITIES or any portion thereof, it shall be so completed consistent with all applicable local, state, and federal requirements. Should PERMITTEE remove FACILITIES from RIGHTS-OF-WAY, PERMITTEE shall, within ten (10) days after such removal, give notice thereof to CITY specifying the RIGHT-OF-WAY affected and the location thereof as well as the date of removal. Before proceeding with removal or relocation work, PERMITTEE shall obtain any necessary Permits from the CITY. PERMITTEE acknowledges that PERMITTEE is not entitled to relocation assistance or any other benefits under the Uniform Relocation Assistance Act or any other applicable provision of law during the term of this Agreement or upon termination of this Agreement.

5. Waiver and Release. PERMITTEE, in perpetuity, expressly waives, releases and relinquishes any and all claims, causes of action, rights and remedies PERMITTEE may now or hereafter have against CITY, and its officials, officers, employees, and agents, with respect to liability for any damage to or loss of FACILITIES upon, above, beneath, or across the RIGHT-OF-WAY installed pursuant to this AGREEMENT unless caused by the gross negligence or willful misconduct of CITY, and its officials, officers, employees, and agents. As a material part of CITY's decision to issue this AGREEMENT, PERMITTEE hereby assumes all risk of damage to the FACILITY in, upon, or about the RIGHT-OF-WAY arising, from any cause attributable to CITY's exercising its rights hereunder or under the RIGHT-OF-WAY, and PERMITTEE hereby waives all claims in respect thereto against CITY.

PERMITTEE HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("SECTION 1542"), WHICH IS SET FORTH BELOW:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

BY INITIALING BELOW, PERMITTEE HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES:

PERMITTEE's Initials

The waivers and releases by PERMITTEE herein contained shall survive the term and termination of this AGREEMENT and shall be binding upon the assignees, transferees, and successors in interest of PERMITTEE.

6. Access, Restricted Use, and Temporary Removal of Improvements. PERMITTEE acknowledges that the RIGHT-OF-WAY contains PUBLIC IMPROVEMENTS. In order for CITY to exercise its rights with respect to the PUBLIC IMPROVEMENTS,

PERMITTEE hereby agrees that upon written or telephonic notice from CITY, PERMITTEE shall at its own cost and expense do one or more of the following as requested by CITY in the notice: (a) within twenty-four (24) hours after receiving notice, remove any restrictions to CITY access to the RIGHT-OF-WAY (or the appropriate portion thereof); and/or (b) within twenty-four (24) hours after receiving notice, temporarily restrict use of the FACILITY for the reasonable period requested by CITY as may be necessary to allow CITY continuous access to the FACILITY and unrestricted use of the RIGHT-OF-WAY; and/or (c) within five (5) days after receiving notice as required by CITY, temporarily remove the FACILITY (or the appropriate portion thereof) as may be necessary to allow CITY to make any repairs, replacement, or improvements, and when notified restore the FACILITY to its working condition. If PERMITTEE fails to restrict or remove, whichever is applicable, the FACILITY (or appropriate portion thereof) within said time period, for whatever reason, then CITY shall have the right to remove the FACILITY (or the appropriate portion thereof) from the RIGHT-OF-WAY at PERMITTEE's sole cost and expense. In the case of an emergency, CITY shall have immediate access to the RIGHT-OF-WAY and may move or restrict the FACILITY (or the appropriate portion thereof) at PERMITTEE's sole cost and expense, without written or telephonic notice to PERMITTEE or reimbursement to PERMITTEE. PERMITTEE shall reimburse CITY for any and all expenses incurred by CITY within thirty (30) days after receiving written demand and a statement from CITY detailing such costs. CITY shall provide notice of the emergency to PERMITTEE as soon as possible, and upon receipt of such notice PERMITTEE shall immediately cease all further use of the FACILITY until the emergency has been mitigated. The term "emergency" shall be defined in accordance with California law and in general, shall be considered as an unforeseen circumstance which calls for immediate action.

7. Recovery of Costs for Enforcement of Agreement. The terms of this AGREEMENT may be enforced by CITY or its successors or assigns. In the event of any controversy, claim or dispute relating to this AGREEMENT, or the breach thereof, the prevailing party shall be entitled to recover from the other party reasonable expenses, attorneys' fees and costs.

8. Termination by CITY.

a. Notwithstanding any other term or provision of this AGREEMENT, CITY shall have the right to terminate this AGREEMENT, after notice and an opportunity to cure as provided by this Section, for:

- (i) Any willful misconduct, fraud, or gross negligence that comprises a material breach by PERMITTEE of any term or provision of this AGREEMENT; or
- (ii) This AGREEMENT may be terminated if PERMITTEE's Certificate of Public Convenience and Necessity terminates, is revoked, or is abandoned.

b. Notice of CITY's intent to terminate for cause shall be in writing, and PERMITTEE shall have thirty (30) days to cure. Any waiver by CITY of any breach by PERMITTEE shall not constitute a waiver of the right to revoke this AGREEMENT for any subsequent breach which may occur, or to enforce any other provision of this AGREEMENT. Upon revocation, PERMITTEE shall remove all FACILITIES and restore the RIGHT-OF-WAY.

9. Master Plan. PERMITTEE is required to submit a master plan (“Master Plan”), showing at a minimum the location and specific details (*i.e.*, underground depth, above-ground height, etc.) of all FACILITIES presently installed within the CITY’s limits and intended to be installed over the five (5) year period from the Effective Date. The Master Plan shall be attached hereto as Exhibit A. PERMITTEE is required to update the Master Plan every five (5) years by sending a copy to CITY at the address provided in Section 15.c.

10. Hazardous Materials Use.

a. PERMITTEE covenants that it will not handle or transport Hazardous Materials on a FACILITY or the RIGHT-OF-WAY. As used in this AGREEMENT, the term “Hazardous Materials” means: (a) any substance, products, waste, or other material of any nature whatsoever which is or becomes listed, regulated, or addressed pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 United States Code Section 9601 et seq.; the Resources Conservation and Recovery Act, 42 United States Code Section 6901 et seq.; the Hazardous Materials Transportation Conservation and Recovery Act, 42 United States Code Section 1801 et seq.; the Clean Water Act, 33 United States Code Section 1251 et seq.; the Toxic Substances Control Act, 15 United States Code Section 2601 et seq.; the California Hazardous Waste Control Act, Health and Safety Code Section 25100 et seq.; the Hazardous Substance Account Act, Health and Safety Code Section 25330 et seq.; the California Safe Drinking Water and Toxic Enforcement Act, Health and Safety Code Section 25249.5 et seq.; California Health and Safety Code Section 25280 et seq. (Underground Storage of Hazardous Substances); the California Hazardous Waste Management Act, Health and Safety Code Section 25170.1 et seq.; California Health and Safety Code Section 25501 et seq. (Hazardous Materials Release Response Plans and Inventory); or the California Porter-Cologne Water Quality Control Act, Water Code Section 13000 et seq., all as amended (the above cited California state statutes are hereinafter collectively referred to as “the State Toxic Substances Law”); or any other federal, state, or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance, now or at any time hereinafter in effect; (b) any substance, product, waste or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court; (c) petroleum or crude oil, other than petroleum and petroleum products which are contained within regularly operated motor vehicles; and (d) asbestos.

In the event a FACILITY is now or in the future used in the handling or transporting of Hazardous Materials, PERMITTEE agrees fully to comply with all applicable federal, state, and local laws, rules, regulations, orders, decisions and ordinances (hereinafter referred to as “Hazardous Materials Standards”) concerning Hazardous Materials. PERMITTEE further agrees that at CITY’s request it will furnish CITY with proof, satisfactory to CITY that PERMITTEE is in such compliance.

b. Notwithstanding anything else contained in this AGREEMENT and to the extent permitted by law, in case of a breach of the obligations contained in this Section, PERMITTEE agrees to assume liability for and to save and hold harmless CITY from and against any and all injuries to any person, including wrongful death, and damage to property, including

without limitation, property of CITY and PERMITTEE, and all related expenses, including without limitation reasonable attorneys' fees, investigators' fees, litigation expenses, and mitigation costs resulting in whole or in part from PERMITTEE's failure to comply with any Hazardous Materials Standards issued by any governmental authority concerning Hazardous Materials. PERMITTEE, at its cost, shall assume the defense of all claims, in accordance with Section 17 hereof. PERMITTEE agrees to reimburse CITY for all reasonable costs of any kind incurred as a result of the PERMITTEE's failure to comply with this Section, including, but not limited to, judicial or administrative fines, penalties, clean-up and disposal costs, and reasonable legal costs incurred as a result of PERMITTEE's handling, transporting, or disposing of Hazardous Materials on, over, or across any FACILITY and RIGHT-OF-WAY.

11. Standards. PERMITTEE shall comply with all statutes, ordinances, rules, regulations, orders and decisions (hereinafter referred to as "Standards"); issued by any federal, state or local governmental body or agency established thereby relating to PERMITTEE's use of any FACILITY and RIGHT-OF-WAY hereunder. In its use of a FACILITY and RIGHT-OF-WAY, PERMITTEE shall at all times be in full compliance with all Standards, present or future, including, but not limited to, Standards concerning air quality, water quality, noise, and Hazardous Materials. In the event PERMITTEE fails to be in full compliance with Standards, CITY may, but shall not be obligated to, after giving notice of the failure to PERMITTEE, and if PERMITTEE, within fifteen (15) days of such notice, fails to correct such non-compliance, remove the offending FACILITIES at PERMITTEE's sole cost and expense.

12. Tests and Inspections. CITY shall have the right at any time to inspect any FACILITY, RIGHT-OF-WAY, or PUBLIC IMPROVEMENTS so as to monitor compliance with this AGREEMENT. If, in CITY's sole but reasonable judgment, any installation, use, or condition of a FACILITY may have an adverse effect on the PUBLIC IMPROVEMENTS, RIGHT-OF-WAY, or CITY's operations, CITY shall be permitted to, at its sole cost and expense, conduct any tests or assessments. However, PERMITTEE shall pay or reimburse CITY, as appropriate, for all reasonable costs and expenses incurred due to any necessary corrective work and inspections thereafter within thirty (30) days of a request for payment and a statement detailing such costs and expenses.

13. Insurance.

a. Types; Amounts. PERMITTEE shall obtain, and shall require any subcontractor to obtain, insurance in the amounts described below unless specifically altered or waived by CITY ("Required Insurance"). If any of the Required Insurance contains a general aggregate limit, such insurance shall apply separately or shall be no less than two times the specified occurrence limit.

- (i) *General Liability Insurance.* PERMITTEE shall maintain occurrence version general liability insurance, or equivalent form, with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence, with an aggregate limit of not less than Two Million Dollars (\$2,000,000.00) with respect to bodily injury, death, or property damage.

- (ii) *“All Risk” Property Insurance.* PERMITTEE shall maintain a policy of property insurance for perils usual to a standard “all risk” insurance policy on all its improvements or alterations in, on, or about the RIGHT-OF-WAY, with limits equal to the value of all such improvements or alterations. The insurance required by this subsection (ii) shall also name the CITY as the “loss payee.”
- (iii) *Workers’ Compensation Coverage.* PERMITTEE shall maintain, and any and all contractors and subcontractors shall maintain coverage in amounts equal to statutory limits. A waiver of subrogation in favor of the City, its directors, officials, officers, employees, agents and volunteers shall apply.

b. General Provisions. The Required Insurance policies shall name CITY, its elected officials, officers, employees and agents as additional insureds as their interests may contractually appear. The Required Insurance shall be primary with respect to any insurance or self-insurance programs covering CITY, its elected officials, officers, employees and agents, or if in excess stand in an unbroken chain of coverage in excess of PERMITTEE’s scheduled underlying coverage. The Required Insurance shall contain standard separation of insureds provisions, and shall contain no special limitations on the scope of its protection to CITY, its elected officials, officers, employees and agents.

c. Certificates; Insurer Rating; Cancellation Notice. Prior to conducting any work in RIGHT-OF-WAY, PERMITTEE shall furnish to CITY properly executed certificates of insurance which evidence all Required Insurance. PERMITTEE shall maintain the Required Insurance at all times while this AGREEMENT is in effect, and shall replace any certificate, policy, or endorsement which will expire prior to that date. All policies shall be endorsed to provide the Required Insurance shall not be suspended, voided, reduced, canceled, or allowed to expire except on thirty (30) days prior written notice to CITY. Unless approved in writing by CITY, PERMITTEE shall place the Required Insurance with insurers licensed to do business in the State of California and with a current A.M. Best rating of at least A-VIII.

d. Waiver of Subrogation. PERMITTEE releases the City, its directors, officials, officers, employees, agents and volunteers from any claims for damage or harm to any person, the RIGHT-OF-WAY, or a FACILITY, caused by, or which result from, risks insured under any insurance policy carried by the Parties at the time of such damage or harm. PERMITTEE shall cause each insurance policy obtained by them to provide that the insurance company waives all right of recovery by way of subrogation against the other in connection with any damage or harm covered by such policy.

14. Indemnity. PERMITTEE hereby agrees to defend, indemnify and hold CITY and its directors, officials, officers, agents and employees free and harmless from and against any and all claims, demands, causes of action, costs, liabilities, expenses, losses, damages or injuries of any kind in law or equity, to persons or property, including wrongful death, in any manner arising out of or incident to any acts, omissions or willful misconduct of PERMITTEE, its partners, affiliates, agents officials, officers or employees in performance of this AGREEMENT, use of the RIGHT-OF-WAY, or the construction, use, or operation of a FACILITY. PERMITTEE shall defend, with counsel of CITY’s choosing and at PERMITTEE’s sole expense, any and all aforesaid

suits, actions or proceedings, legal or affirmative, that may be brought or instituted against CITY, its directors, officials, officers, agents or employees. PERMITTEE shall pay and satisfy any judgment, award or decree that may be rendered against CITY, its directors, officials, officers, agents or employees. PERMITTEE shall reimburse such parties for any and all legal expenses and costs incurred by one or all of them in connection with this AGREEMENT or the indemnity herein provided. PERMITTEE's obligation shall survive termination or expiration of this AGREEMENT, and shall not be restricted to insurance proceeds, if any, received by CITY or its directors, officials, officers, agents or employees.

15. Miscellaneous.

a. Payments. If any payment due to CITY under this AGREEMENT is not timely made, CITY may assess interest at a rate of ten percent (10%) per annum from the payment due date up until payment is made. In the event payment is not made within ninety (90) days of its due date, PERMITTEE shall be considered to have materially breached this AGREEMENT. CITY's exercise of its rights hereof shall not release PERMITTEE from any liability or obligation hereunder, whether of indemnity or otherwise.

b. Amendments. The provisions of this AGREEMENT may only be amended by mutual written consent of both parties.

c. Notices. All notices permitted or required under this AGREEMENT shall be given to the respective parties via certified mail at the following address, or at such other address as the respective parties may provide in writing for this purpose, or via email at the email address provided below:

PERMITTEE:

Crown Castle Fiber LLC
2000 Corporate Drive
Canonsburg, PA 15317
Attn: Ken Simon, General Counsel

With a copy to:

Crown Castle Fiber LLC
2000 Corporate Drive
Canonsburg, PA 15317
Attn: SCN Contracts Management

24/7 emergency contact information:

Telephone: (888) 632-0931
E-Mail: SCN.NOC@crowncastle.com

CITY:

Attn: _____
Phone: _____
Email: _____

With a copy to:

Attn: _____
Phone: _____
Email: _____

Such notice shall be deemed made: (1) when sent by confirmed electronic mail if sent during normal business hours of the recipient (9am-5pm Pacific Standard Time on a weekday), and if not so confirmed, then on the next business day, or (2) upon actual delivery via certified mail.

d. Tax Notice. CITY hereby provides notice pursuant to California Revenue and Taxation Code Section 107.6, and PERMITTEE acknowledges, that this Agreement may create a possessory interest and PERMITTEE may be subject to property taxes levied on such interest by the appropriate taxing authority, as described in California Revenue and Taxation Code Section 107. PERMITTEE is required to pay any such tax directly to the appropriate taxing authority.

e. Entire Understanding. This AGREEMENT constitutes the entire understanding between the Parties, and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein.

f. Force Majeure. Neither Party shall be in breach of its obligations under this Agreement (other than payment obligations) or incur any liability to the other Party for any losses or damages of any nature whatsoever incurred or suffered by that other (otherwise than under any express indemnity in this Agreement) if and to the extent that it is prevented from carrying out those obligations by, or such losses or damages are caused by, an event beyond the control of the Party (“Force Majeure Event”) except to the extent that the relevant breach of its obligations would have occurred, or the relevant losses or damages would have arisen, even if the Force Majeure Event had not occurred (in which case this subsection shall not apply to that extent). As soon as reasonably practicable following the date of commencement of a Force Majeure Event, and within a reasonable time following the date of termination of a Force Majeure Event, any Party invoking it shall submit to the other Party reasonable proof of the nature of the Force Majeure Event and of its effect upon the performance of the Party's obligations under this Agreement.

g. Invalidity. If any provision of this AGREEMENT is invalid or unenforceable with respect to any Party, the remainder of this AGREEMENT or the application

of such provision to persons other than those as to whom it is held invalid or unenforceable, shall not be affected and each provision of this AGREEMENT shall be valid and enforceable to the fullest extent permitted by law.

h. Successors and Assigns. This AGREEMENT shall be binding on and inure to the benefit of the successors and permitted assignees of the respective parties.

i. Consent to Jurisdiction and Venue. This AGREEMENT shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this AGREEMENT, or which in any way arises out of the Parties' activities undertaken pursuant to this AGREEMENT, shall be filed and prosecuted in the appropriate California State Court in the County of San Bernardino, California to the extent California State Court has jurisdiction. If not within California State Court's jurisdiction, then the Parties have a right to file and prosecute in the Court of competent jurisdiction. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue based on the fact that a governmental entity is a party to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding. Without limiting the generality of the foregoing waiver, PERMITTEE expressly waives any right to have venue transferred pursuant to California Code of Civil Procedure Section 394.

j. Exhibits. All exhibits attached hereto form material parts of this AGREEMENT.

16. Permit Fees. PERMITTEE agrees to compensate the CITY for all applicable permit fees at the time of permit issuance.

[Signatures on the Following Page]

CITY OF FONTANA

CROWN CASTLE FIBER LLC

By: _____
Mark Denny
City Manager

By: _____
INSERT NAME
INSERT TITLE

Attest:

Attest: ¹

By: _____
Tonia Lewis, City Clerk

By: _____
INSERT NAME

Approved as to form:

Best Best & Krieger LLP
City Attorney

By: _____
Phillip Burum, Deputy City Manager
Development Services Organization

By: _____
Ricardo Sandoval
Director of Engineering/City Engineer

IN COMPLIANCE WITH INSURANCE ADMINISTRATION

By: _____
Rakesha Thomas, Director of Human
Resources and Risk Management

**IN COMPLIANCE WITH PURCHASING AND CONTRACT ADMINISTRATION
POLICIES/PROCEDURES**

Lisa Strong
Management Services Director

Purchasing

¹ Attestation of Consultant's signature must be obtained when required by the by-laws, articles of incorporation or other laws, rules or regulations applicable to Consultant's business entity.

EXHIBIT “A”

RIGHT-OF-WAY MASTER PLAN

The Master Plan is on file with the Engineering Department.



City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

City Council Meeting

File #: 21-917

Agenda #: C.

Agenda Date: 10/26/2021

Category: Consent Calendar

FROM:

Engineering

SUBJECT:

Purchase and installation of Artificial Turf, Restroom/Concession and Storage Buildings, Playground Equipment and Shade Structures and purchase of material only of Fitness Equipment and Musco Lighting for South Fontana Park Project

RECOMMENDATION:

1. Approve and authorize the Purchasing Office to "Piggy-Back" from the California Multiple Award Schedule (CMAS) for the purchase of the following for South Fontana Park project:
 - a. FieldTurf USA, Inc. in the amount of \$1,707,212.00 for the purchase and installation of artificial turf and authorize a 10% construction contingency in the amount of \$170,721.20
 - b. Landscape Structures, Inc. in the amount of \$433,172.61 for the purchase and installation of playground equipment and authorize a 10% construction contingency in the amount of \$43,317.26
 - c. Romtec, Inc. in the amount of \$1,298,414.52 for the purchase and installation of a new restroom/concession and storage buildings and authorize a construction contingency in the amount of \$129,841.45.
 - d. Greenfields Outdoor Fitness in the amount of \$92,417.43 for the purchase of exercise/fitness equipment and authorize a 10% construction contingency in the amount of \$9,241.74
2. Approve and authorize the Purchasing Office to "Piggy-Back" from the Sourcewell contract for the purchase of the following for South Fontana Park project:
 - a. USA Shade & Fabric Structures in the amount of \$948,440.00 for the purchase and installation of shade structures and authorize a 10% construction contingency in the amount of \$94,844.00
 - b. Musco Lighting in the amount of \$717,000 for the purchase of sports field lighting and authorize a 10% construction contingency in the amount of \$71,700.00

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

DISCUSSION:

It is anticipated that the Fontana Sports Park project will commence construction by January of 2022. In order to facilitate the project start of construction and schedule, staff recommends the use of the California Multiple Award Schedule (CMAS) procurement process and the use of the existing the Sourcewell for the purchase and installation of artificial turf, restroom/concession and storage buildings, playground equipment and shade structures, fitness equipment and Musco lighting for the project.

The separate purchase of the artificial turf, playground equipment and restroom/concession and storage buildings will include material, installation, and bonds while the procurement for the exercise equipment will be for material only with the project's general contractor responsible for installation. The CMAS procurement items are as follows:

- FieldTurf USA, Inc. (CMAS Contract #4-06-78-0031A) is a leader in the artificial turf industry and their product is currently installed on the sports fields at Ralph M. Lewis Park and Central City Park. This procurement method will result in a discount to the City of \$270,000 for the purchase of the turf.
- Landscape Structures (CMAS Contract #4-10-78-0057A) is a global leader in the commercial playground industry. The CMAS procurement method will result in a discount to the City of \$30,425.50 for the purchase of the playground equipment.
- Romtec, Inc. (CMAS Contract # 4-04-54-0011A) is a leader in the prefabricated building industry with restroom buildings located in Shadow Park and Central City Park. This procurement method will result in a discount to the City of \$40,455.49 for the purchase of the buildings in the park.
- Greenfields Outdoor Fitness (CMAS Contract # 4-19-78-0102A) is a leader in exercise equipment. This procurement method will result in a discount to the City of \$7,973.31 for the purchase of the equipment.

In addition to the use of the CMAS procurement process, staff is recommending the use of the Sourcewell contract for the separate purchase and installation of shade structures and the purchase of the sports lighting for the project. The Sourcewell procurement method will result in a discount to the City of about 5-10% for the purchase of the shade structures and sports lighting system for the project. The Sourcewell procurement items are as follows:

- USA Shade & Fabric Structures, under their parent company, PlayPower, Inc. (Sourcewell Contract #010521-LTS) is a proven leader in fabric structure design and technology. The separate purchase of the shade structures will include material, installation, and bonds.
- Musco Lighting (Sourcewell Contract #071619-MSL) has been focused on the design and manufacture of sports lighting systems since 1976 with many of the City's parks already using Musco lighting systems to provide nighttime use of the various sports facilities. The procurement for the sports lighting system will be for material only with the project's general contractor responsible for installation.

The utilization of cooperative purchasing through CMAS or Sourcewell is heavily used by government, education and nonprofit sectors in an effort to not only save on cost but to ensure high quality equipment/products/services. This procurement method eliminates any general contractor mark-up for profit and overhead that may be included in the construction contract. Additionally, the City's advanced procurement of the materials will aid in streamlining the overall schedule for the project, thereby increasing efficiency in the completion of the project.

FISCAL IMPACT:

Funds for this project have been budgeted in the current FY2021-2022 Capital Improvement Program in the Capital Improvement Fund (Fund 602), CFD #86 Fund (Fund 664), CFD #88 Fund (Fund 666), CFD #89 Fund (Fund 667) and CFD # 90 (Fund 668) specifically in project PN 4250 South Fontana Park.

MOTION:

Approve Staff Recommendation.



CMAS QUOTATION

CMAS # 4-06-78-0031A

DIR # 1000004625

CA LICENSE # 849044

This QUOTATION is dated this **23rd** day of **June, 2021**.

Between: **The City of Fontana (The "Customer")**
For: South Fontana Sports Park

And: FieldTurf USA, Inc. **(The "Supplier")**
175 N. Industrial Blvd.
Calhoun, CA 30701
Tel: (514) 340-9311
Fax: (514) 340-9374

WHEREAS Supplier wishes to sell, supply and install an artificial in-filled playing surface identified as **FieldTurf "Elite" FTCORE 2.5" w CoolPlay** for use on a field measuring a total of **298,500 sq. ft.** to the Customer / **City of Fontana- South Fontana Sports Park.**

WHEREAS the Customer wishes to purchase same on the preliminary terms and conditions set out below;

QUOTATION / ESTIMATE DETAILS:

THE PRODUCT

The Supplier hereby agrees to sell, to supply and to install **FieldTurf "Elite" FTCORE 2.5" w CoolPlay** artificial grass in-filled playing surfaces for use on Football/Soccer fields measuring **298,500 sq. ft** to be installed on suitable drainage base foundations constructed by others at The Site per the BMLA Landscape Architecture Design / Plans.

SUPPLY OF PRODUCT

The Supplier shall perform the work required by this Agreement as diligently and expeditiously as is consistent with the highest professional standards and the orderly progress of the work and in a good and workmanlike fashion, and subject to and in accordance with the terms and conditions hereof.

The Supplier requires a minimum of 8 weeks lead time from the acceptance of layouts and approval of all plans prior to any work commencing at the Site.





SITE PREPARATION WORK

Notwithstanding, any work regarding the base construction of the fields and ensuring its planarity ready for surfacing is specifically excluded from the Supplier's scope of work. We anticipate all base specifications from HMC Architecture will be followed by the General Contractor prior to acceptance by FieldTurf. FieldTurf will attend regular construction meetings onsite with the awarded general contractor to insure spec compliance and schedule conformance.

PRICE

The purchase price for the Product fully installed per our CMAS Agreement are below, plus any other permanent inlaid lines, logos not listed, and any other unforeseen costs.

The Purchase Price is subject to increase if affected by a tax increase, new taxes, and levies or any new legally binding imposition affecting the transaction.

FieldTurf "Elite" FTCORE 2.5 Vertex Prime w CoolPlay series turf:

Cost per square foot	\$4.75
Sub Total:	\$1,417,875
FieldTurf CoolPlay V3 Heat Reduction Infill	\$149,250
Inlaid football markings- numbers/arrows and hashmarks	NO CHARGE (\$64,800 Savings)
Inlaid soccer markings	\$24,000
Maintenance Equipment (GroomRight and FieldSweep)	\$10,000
10 year UV & Wear 3 rd Party Insured Warranty Prepaid for 10 Years	INCLUDED
CMAS Fees	INCLUDED
Sales Tax on materials only (7.75%)	\$87,094
Bonds 1.125%	\$18,993
Total CMAS Contract Cost	\$1,707,212

The Purchase Price shall be payable to Supplier by way of wire transfer or banker's check in accordance with the following payment schedule:





- i) **Thirty-five percent (35%)** of the Purchase Price due upon Customer's execution of the Supplier's Sales Agreement;
- ii) **Thirty-five percent (35%)** of the Purchase Price on delivery and receipt of the components of the Product to the Site;
- iii) **Twenty-five percent (25%)** of the Purchase Price upon completion of the work;
- iv) Remaining balance **Five percent (5%)** upon the signing of the Certificate of Completion.

The Supplier will issue an invoice to Customer upon the occurrence of each of the events listed above, and payment of each invoice is due within 10 days following the date to the applicable invoice.

Any unpaid balance bears interest at a rate of 10% per year.

ACCEPTANCE

Upon the Supplier giving the Customer notice of completion of the work, the parties agree, acting reasonably, to mutually determine whether same conforms to the requirements of this Agreement and in the event the parties mutually determine that there are deficiencies, the Supplier will undertake to correct the deficiencies noted ("Acceptance");

Upon Acceptance both parties sign the Certificate of Completion in the form currently in force;

The Warranty takes effect upon the signing of the Certificate of Completion.

No use whatsoever shall be made of the fields by the Customer until the Certificate of Completion is signed and delivered to Supplier.

Any such use will be deemed as Acceptance of the fields, triggering final payment and will automatically void any and all warranty of the work, subject to the reinstatement of the Warranty later at the discretion of the Supplier upon the signing of the Certificate of Completion and final payment.

The Customer shall prohibit use of the fields if the Customer alleges said fields to be incomplete or dangerous. For greater security, in the event that the Customer deems the fields to be incomplete or dangerous the Customer will immediately notify its insurers of this additional risk.

INSTALLATION

The installation of the Product shall be performed by Supplier's designated and approved installers. The Customer agrees to allow representatives of Supplier all necessary uninterrupted access and suitable staging area to the site for purposes of installation, and inspection. All lighting and electrical supply must be operational during the installation process.





Minimum staging area required is 0.12 x the square footage of the field and no more than 100 feet from the fields. Minimum access should be 15 feet wide by 15 feet high. A 25 feet wide by 25 feet long hard or paved surface area located within 50 feet of the playing surface shall be provided for purposes of proper mixing of in-fill material. Access to any fields will include suitable bridging by the Customer over the fields curbs from the staging area to permit suitable access to the fields by low clearance vehicles.

Force Majeure. No Party shall be liable for delay or failure to perform under this Agreement if such delay or failure is due to any contingency beyond its reasonable control, including acts of God, war, explosion, fire, flood or civil disturbance or labor actions, disputes and disruptions by the employees or sub-trades of either Party hereto or delay or destruction caused by public carrier.

In addition to force majeure, the parties recognize that in certain cases severe weather while not constituting force majeure could delay the installation process of the work contemplated under this agreement.

The Supplier shall not be responsible for any acts of violence or vandalism. The Customer holds Supplier harmless and indemnifies the Supplier from vandalism and acts of violence regarding the present project.

The Customer understands that it is to its benefit and therefore undertakes to accept and store for the length of the warranty period, the remaining synthetic turf left over from the project in case of need.

THIS QUOTATION IS SUBJECT TO THE TERMS AND CONDITIONS OF THE SUPPLIER'S STANDARD CMAS SALES AGREEMENT WHICH SHALL PREVAIL OVER THIS QUOTATION, AND BE SUBJECT TO CHANGE WITHOUT NOTICE FROM TIME TO TIME.

THIS QUOTATION IS OPEN FOR ACCEPTANCE FOR A PERIOD OF 3 MONTHS, AFTER WHICH TIME, IF NOT ACCEPTED, IT WILL BE NULL AND VOID.

FOR QUESTIONS, PLEASE CONTACT YOUR FIELDTURF REGIONAL VP OF SALES IN SOUTHERN CALIFORNIA; CAL WATSON BY TELEPHONE (858)353-2366, EMAIL - calwfieldturf@yahoo.com

ACCEPTED QUOTATIONS, DULY SIGNED SHALL BE EMAILED TO CAL WATSON AND SENT TO:

1- DEPARTMENT OF GENERAL SERVICES (DGS), PROCUREMENT DIVISION, DATA MANAGEMENT, 707 THIRD STREET, 2ND FLOOR, WEST SACRAMENTO, CALIFORNIA, 95605-2811 (IMS#Z-1).

AND





2- FIELDTURF USA, INC. 7445 COTE-DE-LIESSE ROAD, SUITE 200, MONTREAL, QUEBEC,
H4T 1G2, TELEPHONE (514) 340-9311, FAX (514) 340 9374
ATTENTION: Susy Matos, PRICING AND PROJECT MANAGER.

READ, AGREED, AND ACCEPTED

Per: _____



October 7, 2016

Eric Daliere
 FieldTurf USA, Inc.
 7445 Cote de Liesse Road, Suite 200
 Montreal, QC H4T 1G2

Subject: FieldTurf USA, Inc.'s California Multiple Award Schedule (CMAS)

CMAS Contract No.: 4-06-78-0031A
CMAS Contract Term: October 7, 2016 through November 30, 2021
Base GSA Schedule No.: GS-07F-9631S

The State of California is pleased to accept your firm's offer to establish a California Multiple Award Schedule (CMAS) contract, which we have assigned the CMAS contract number and term identified above. This contract number must be shown on each invoice rendered. Additionally, this letter shall not be construed as a commitment to purchase any or all of the State's requirements from your firm. Prior approval is required from the State for all news releases regarding this contract.

It is your firm's responsibility to furnish, upon request, a copy of this CMAS contract to State and local government agencies. A complete CMAS contract includes the following: **1)** this acceptance letter, **2)** CMAS cover pages (which includes the signature page, ordering instructions and special provisions, and any attachments or exhibits as prepared by the CMAS Unit), **3)** CMAS terms and conditions, **4)** Federal GSA terms and conditions, and **5)** product/service listing and prices. The CMAS Unit strongly recommends that government agencies place orders with Contractors who provide ALL of the contract elements described above.

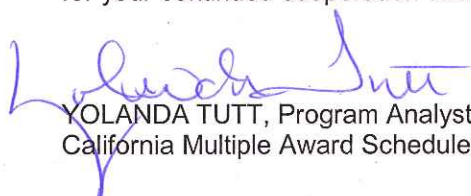
To manage this contract, Contractors are directed to the "CMAS Contract Management and Information Guide", which can be accessed at www.dgs.ca.gov/pd/programs/leveraged/cmas.aspx, then select the "For Suppliers/Contractors" link. This guide covers topics such as CMAS Quarterly Reports, amendments, extensions, renewals, Contractor's change of address or contact person, company name change requests, and marketing your CMAS contract.

It is the Contractor's responsibility to submit on a timely basis detailed CMAS Quarterly Reports (along with any applicable incentive fees).

THE NEXT QUARTERLY REPORT DUE FOR THIS CONTRACT IS Q4-2016 (OCT-DEC)
DUE BY JAN 15, 2017.

The "Approved CMAS Contractor" logo is only available to CMAS contract holders for display at conferences or on other marketing material. A login and password is required to download the logo. Go to <http://www.dgs.ca.gov/pd/Resources/FormsResourcesLibrary.aspx>, then select "Reference Material"; click on "CMAS Logos" under the heading "Marketing Tools". At the prompt, enter the login: "cmassupplier" and the password: "cmas010194".

Should you have any questions regarding this contract, please contact me at 916/375-4408. Thank you for your continued cooperation and support of the CMAS Program.


 YOLANDA TUTT, Program Analyst
 California Multiple Award Schedules Unit

State of California

MULTIPLE AWARD SCHEDULE

FieldTurf USA, Inc.

CONTRACT NUMBER:	4-06-78-0031A
SUPPLEMENT NO.:	6
CMAS CONTRACT TERM:	10/7/2016 through 11/30/2021
CONTRACT CATEGORY:	Non Information Technology Goods
APPLICABLE TERMS & CONDITIONS:	August 2010
MAXIMUM ORDER LIMIT:	\$100,000
FOR USE BY:	State & Local Government Agencies
BASE GSA SCHEDULE NO.:	GS-07F-9631S
BASE SCHEDULE HOLDER:	FieldTurf USA, Inc.

This contract provides for the purchase, warranty and installation of synthetic turf, surface and flooring. (See page 2 for the specific brands and restrictions applicable to this contract.)

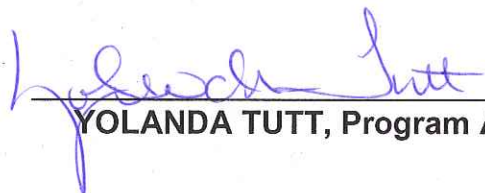
NOTICE: Products and/or services on this CMAS may be available on a Mandatory Statewide Contracts. If this is the case, the use of this CMAS is restricted unless the State agency has an approved exemption as explained in the Statewide Contract User Instructions. Information regarding Statewide Contracts can be obtained at the website: <http://www.documents.dgs.ca.gov/pd/contracts/contractindexlisting.pdf>. This requirement is not applicable to local government entities.

The purpose of this supplement is to renew this contract through 11-30-21. In addition, this supplement replaces in its entirety FieldTurf USA, Inc.'s existing California Multiple Award Schedule (CMAS) that expires on 11-30-16. The most current Ordering Instructions and Special Provisions and CMAS Terms and Conditions dated August 2010, products and/or services and pricing are included herein. Please review these provisions carefully because they may have changed since issuance of your last contract.

The services provided under this CMAS contract are only in support of the products sold under this CMAS contract.

Agency non-compliance with the requirements of this contract may result in the loss of delegated authority to use the CMAS program.

Contractor non-compliance with the requirements of this contract may result in contract termination.



YOLANDA TUTT, Program Analyst, California Multiple Award Schedule Unit

Effective Date: **10/7/2016**

Page 1 of 289



ALL PURCHASE ORDERS, CONTRACTS, AND
CHECKS TO BE MADE OUT TO:
LANDSCAPE STRUCTURES, INC.
601 7TH STREET SOUTH
DELANO, MN 55328 U.S.A.
763-972-3391 800-328-0035
Fax: 763-972-3185

PROPOSAL



Customer Information

CONTACT: Ticha Loera - Purchasing Specialist
PHONE (909) 350-6696
FAX:

SHIP TO:
Maintenance
Kit/Info ?

BILL TO: City of Fontana
8353 Sierra Ave.
Fontana, CA 92335

CMAS Contract No. 4-10-78-0057A

Destination

F.O.B.

FREIGHT ☐ Prepaid ☐ Collect

Quote Date: 9/29/2021

Net 30 days upon credit approv., deposit may be required

TERMS (Subject To Credit Approval By LSI)

12 Weeks

SHIPPING TIME

Pricing Good for 60 days from Date of Proposal

We are pleased to submit this proposal to supply the following items:

QTY	ITEM NO.	DESCRIPTION	UNIT WT	UNIT PRICE	WEIGHT	EXTENDED AMT
South Fontana Sports Park - #1143167-01-04						
1	1143167-01-04	PlayBooster 5-12 Years Old Play Equipment w/ Independents (Global Motion, OmniSpin, Sway Fun, Sensory Play, Swings etc.)			18,166	\$ 304,285.00
		CMAS 10% Discount			-	\$ (30,425.50)
		Payment and Performance Bond 3%				\$ 12,617.00
***Installation price below includes the complete installation of the playground equipment, CPSI Audit and Report for both age groups, CPSI Impact Testing and Report for both age groups, and equipment storage till time of instalation.						
Standard Terms and Conditions for Installation Apply (page 2)						

SIGNATURE BELOW ACCEPTING THIS PROPOSAL WILL CONSTITUTE A PURCHASE
ORDER ONLY UPON APPROVAL BY LANDSCAPE STRUCTURES, INC. CUSTOMER
RECEIPT OF AN ORDER ACKNOWLEDGEMENT CONSTITUTES SUCH APPROVAL.

ACCEPTED BY CUSTOMER _____ DATE _____
PRINT NAME _____
PROPOSED BY LSI REPRESENTATIVE _____ DATE _____
PRINT NAME _____

Total Weight	18,166	
SUBTOTAL MATERIAL	\$	286,476.50
INSTALLATION	\$	109,472.00
FREIGHT	\$	16,000.00
7.75% SALES TAX	\$	21,224.11
TOTAL	\$	433,172.61



STANDARD TERMS AND CONDITIONS FOR INSTALLATION

Please include these conditions for all purchase orders that include installation.

The Owner is responsible for:

1. Equipment unloading and security of equipment while on site.
2. Water, power and trash container on site. Free and clear vehicle access to site.
3. Site preparation, leveled to grade (free of all sand and debris) and ready for installation of the equipment. For surface mount installations on concrete slabs, a 1% slope is maximum. (1/8" per foot)
4. All utilities located and marked. Movement of any utilities conflicting with the installation of the equipment is the responsibility of the owner.
5. Once the installers are on site, any delays or additional work incurred by the installation crew and caused by others (owners or other contractors) will be charged at a cost plus basis.
6. Any additional costs, i.e. demolition, relocation, excavation, surfacing materials, labor due to abnormal soil conditions, are not included in price.
7. Notify Landscape Structures Inc. of any changes immediately. If changes are made that we are not aware of and the changes alter the installation, all additional costs will be passed on to the owner.

Once the equipment is ordered, an estimated shipping date will be provided.

Installation quote is for basic installation and does not include core drilling, saw cutting, spoil removal, or hard rock drilling (more than ten minutes per 12" x 24" hole).

PERMITS

Any Federal, State and local permits required for this work are the responsibility of the contractor/owner.

INSTALLATION

Landscape Structures is obligated to provide the equipment and the installation of the equipment by a certified Landscape Structures installer on a prepared site. Surfacing is to be provided by others following installation of playground equipment and is required per ASTM F1487-17, 11.2.2. Installation quote is based on ground and weather conditions that permit installation per manufacturer's guidelines.

Order will not be considered complete without color specifications, correct addresses for billing, shipping, and maintenance information.

7/18/2018

Mr. Fred Caslavka
Landscape Structures Inc.
601 7th Street South
Delano, MN 55328

Subject: RENEWAL of Landscape Structures Inc's California Multiple Award Schedule (CMAS)

CMAS Number: 4-10-78-0057A, SUPPLEMENT NO. 3
CMAS Term Dates: August 21, 2013 through April 7, 2023
Base GSA Schedule No.: GS-07F-0440N

The State of California accepts your firm's offer and renews the attached California Multiple Award Schedule (CMAS) for the term identified above. The CMAS has been awarded the same CMAS number as the original CMAS. This CMAS number must be shown on each invoice rendered. Additionally, this letter shall not be construed as a commitment to purchase any or all of the State's requirements from your firm. Prior approval is required from the State for all news releases regarding this CMAS.

It is your firm's responsibility to furnish, upon request, a copy of this CMAS to State and local government agencies. A copy of this CMAS can be obtained at caleprocure.ca.gov. A complete CMAS consists of the following: **1)** CMAS cover pages (which includes the signature page, ordering instructions and special provisions, and any attachments or exhibits as prepared by the CMAS Unit), **2)** CMAS terms and conditions, **3)** Federal GSA (or Non-GSA) terms and conditions, and **4)** product/service listing and prices. The CMAS Unit strongly recommends that government agencies place orders with CMAS contractors who provide ALL of the elements described above.

To manage this CMAS, contractors are directed to the "CMAS Management and Information Guide", which can be accessed at www.dgs.ca.gov/pd/programs/leveraged/emas.aspx, then select "For Suppliers/Contractors." This guide covers topics such as CMAS Quarterly Reports, amendments, extensions, renewals, CMAS contractor's change in contact information, company name change requests, and marketing your CMAS.

It is the CMAS contractor's responsibility to submit on a timely basis detailed CMAS Quarterly Reports (along with any applicable incentive fees).

THE NEXT QUARTERLY REPORT DUE FOR THIS CMAS IS Q3-2018 (JUL-SEP)
DUE BY OCT 15, 2018.

The "Approved CMAS Contractor" logo is only available to CMAS contract holders for display at conferences or on other marketing material. A login and password is required to download the logo. Go to www.dgs.ca.gov/pd/Resources/FormsResourcesLibrary.aspx, then select "Reference Material"; click on "CMAS Logos" under the heading "Marketing Tools". At the prompt, enter the login: "cmassupplier" and the password: "emas010194".

Should you have any questions regarding this CMAS, please contact me at (916) 376-3840. Thank you for your continued cooperation and support of the CMAS Program.



ARM Andrew Reel, Program Analyst
California Multiple Award Schedules Unit

State of California
MULTIPLE AWARD SCHEDULE
Landscape Structures Inc.

CMAS NUMBER:	4-10-78-0057A
SUPPLEMENT NO.:	4
CMAS TERM DATES:	8/21/2013 through 4/7/2023
CMAS CATEGORY:	Non Information Technology Commodities
APPLICABLE TERMS & CONDITIONS:	December 1, 2017
MAXIMUM ORDER LIMIT:	State Agencies: See Purchasing Authority Dollar Threshold provision Local Government Agencies: Unlimited
FOR USE BY:	State & Local Government Agencies
BASE GSA SCHEDULE NO.:	GS-07F-0440N
BASE SCHEDULE HOLDER:	ExerPlay, Inc.

This CMAS provides for the purchase, installation and warranty of outdoor playground equipment and supplies. (See page 2 for the specific brands and restrictions applicable to this CMAS.)

NOTICE: Products and/or services on this CMAS may be available on a Mandatory Statewide Contracts. If this is the case, the use of this CMAS is restricted unless the State agency has an approved exemption as explained in the Statewide Contract User Instructions. Information regarding Statewide Contracts can be obtained at the website: www.documents.dgs.ca.gov/pd/contracts/contractindexlisting.pdf. This requirement is not applicable to local government entities.

1) The purpose of this supplement is to add the installation services provision to this CMAS.

All other terms and conditions and provisions of the CMAS remain unchanged.

The services provided under this CMAS are only in support of the products covered by this CMAS.

Agency non-compliance with the requirements of this CMAS may result in the loss of delegated authority to use the CMAS program.

CMAS contractor non-compliance with the requirements of this CMAS may result in termination of the CMAS.



Effective Date: **8/9/2018**

AMANDA TOWERS, Program Analyst, California Multiple Award Schedules Unit



ROMTEC

Preliminary Scope of Supply and Services

Building Supply and Installation

Project: South Fontana Sports Park – Restroom and Storage buildings

Location: Fontana, CA

Date: October 12, 2021



OVERVIEW

The following is a detailed scope of products and services that will be included as part of the Romtec building package and installation services. Romtec's proposal includes the supply and installation of the specified building kits as defined herein (with exclusions noted below).

Romtec's proposal is for the installation of the building kits as defined herein. The building packages are based on the approved Romtec Scope of Supply and Design Submittal (SSDS) dated 2/24/2020, with subsequent changes per comments received from BMLA, the City of Fontana, and the San Bernardino County Health Department as of 10/4/21.

See Section 3 below for the scope of supply and services supplied by others that are not supplied by Romtec.

KEY ASSUMPTIONS

Romtec's Installation Quote is based on the following:

1. **Building Construction Timeline.** Based on the overall project construction times Romtec is quoting under the assumption the building site will be prepared for Romtec to begin construction work no later than June 1, 2022. Romtec's installation timeframe is June 1, 2022, to the end of Summer 2022. Any changes to this timeframe will need to be negotiated with the City of Fontana.
2. **Installation assumes one mobilization.** Romtec plans to construct all buildings simultaneously/consecutively as part of a single mobilization. If Romtec is required to demobilize and remobilize for any reason outside of Romtec's control, it will result in a change order and schedule adjustment.
3. Work Hours are Monday through Saturday 7:00am – 7:00pm.
4. The Romtec Proposal requires a walk through and sign off upon completion of the Installation of the Romtec Building Packages. In other words, once Romtec has completed the installation work, the general contractor, owner, and/or their representatives must inspect and confirm the completed installation within a reasonable time, regardless of any ongoing work by others at the project site.

Note: Romtec's Construction Manager will respond to any RFIs, and will also provide one (1) final punch list walk through (to be performed when Romtec's construction work is completed, regardless of any ongoing work by others on other parts of the project, including utility work). Any additional walkthroughs beyond the one (1) final punch list walkthrough are not included and would result in a price increase.

5. **Vitrochem Finish.** Romtec is excluding the supply and installation of all Vitrochem finish work. The Vitrochem finish for all interior, exterior, and floor surfaces is by the Vitrochem installer, not by Romtec.
6. The jobsite is semi-truck accessible.
 1. Freight quotes are valid for 30 days only, after which the price is subject to change without notice.

7. **Union workers NOT required for Romtec's Installation Scope.**
 1. Prevailing Wage required
 2. Compliance with Davis Bacon Act required

This scope letter will be superseded by the Romtec Scope of Supply, Design and Installation Submittal to be provided to the customer after receipt of contract.

1. Romtec Scope of Supply

1. Restroom Structure

The Romtec building package has been quoted with the specific product colors noted below. Changes to these color selections may result in a price increase. These color selections are based on the approved Scope of Supply and Design Submittal dated 2/24/2020 and accounting for changes per subsequent comments from BMLA, the City of Fontana, and the San Bernardino County Health Department.

The following items relative to the building structure will be supplied by Romtec.

1. Concrete Masonry Units - CMU
 - a. Exterior walls will be constructed of split-face, mortar joint, concrete masonry units (concrete blocks).
 - b. Block color will be **gray**.
2. Exterior to have **Bucks County** Southern LedgeStone accent siding.
3. Exterior will include rain gutters and downspouts.
 - a. Gutters and downspouts color to be selected by owner from the manufacturer's standard color chart.
4. Interior wall finish shall be latex epoxy paint in **SW6140 Moderate White**.
5. Interior floor finish will be sealed concrete.
- 6.
7. Wire weave gable vents and kick proof wall vents for natural ventilation.
 - a. Vents are powder coated **black**.
8. Doors, frames and hardware.
 - a. Doors and frames to be powder coated **black**.
 - b. Stainless steel, ball bearing hinges.
 - c. Heavy duty door closers.
 - d. Doors to have stainless steel kick plates.
 - e. Doors to include thresholds.
 - f. Grade 2, lever locks with latch guard.
9. Aluminum Roll-up Concession Window with Stainless Steel Counter.
 - a. Quikserv, self-closing window per CA code.
10. Stainless steel restroom partitions.
11. Roofing materials
 - a. Glulam beams.
 - b. 2x6 tongue and groove decking.
 - c. Roofing shall be Fabral, 29-gauge, GrandRib 3 roof panels with exposed fasteners. Color: **Evergreen 875**.
 - d. Ceiling finish will be Thompson's Waterproofing Wood Sealer on the 2x6 T&G decking.

2. Restroom and Plumbing Fixtures

The following fixtures will be supplied by Romtec:

1. Wall mount, top supply, stainless steel toilets with manual lever chrome flush valves.
2. Wall mount, top supply stainless steel urinals with manual lever chrome flush valves.
3. Wall mount, stainless steel sinks with single push button faucets.
4. Concession room hand wash sink to have manual lever handle faucet.
5. Free-standing, 36-gallon stainless steel trash receptacle with no lid.
6. Wall mount, stainless steel napkin disposals.
7. Wall mount, stainless steel 2-roll toilet paper dispensers.
8. Wall mount, stainless steel soap dispensers.
9. Surface mount, diaper deck in each restroom.

10. Mop sink with faucet and mop rack located in the mechanical room.
11. Concession room to have 3-bay, stainless steel utility sink with pre-rinse faucet.
12. One set of employee lockers for the concession room.
13. One rolling dry goods storage shelf.
14. One chemical storage shelf for the mechanical room.
15. One in-line lead free brass pressure regulator.

3. Restroom Electrical Fixtures

The following electrical fixtures will be supplied by Romtec:

1. Exterior lighting
 - a. Wall mount, vandal resistant LED light fixtures.
 - b. Controlled by timer.
2. Interior lighting
 - a. 48" LED vapor tight ceiling mount light fixtures.
 - b. Controlled by motion sensor.
3. Electric tank, 30-gallon water heater with expansion tank.
4. Wall mount, Xlerator stainless steel hand dryer.
5. Main breaker panel sized for the building components.
 - a. 200 amp, single-phase, indoor.

4. Storage Building Structure

The Romtec building package has been quoted with the specific product colors noted below. Changes to these color selections may result in a price increase. Customer to select colors from each manufacturer's specified color chart for block, roofing, steel finishes, etc.

The following items relative to the building structure will be supplied by Romtec.

1. Concrete Masonry Units - CMU
 - a. Exterior walls will be constructed of split-face, mortar joint, concrete masonry units (concrete blocks).
 - b. Block color will be **gray**.
2. Exterior to have **Bucks County** Southern LedgeStone accent siding.
3. Exterior will include rain gutters and downspouts.
 - a. Gutters and downspouts color to be selected by owner from the manufacturer's standard color chart.
4. Interior wall finish shall be latex epoxy paint in **SW6140 Moderate White**.
5. Interior floor finish will be sealed concrete.
6. Doors, frames and hardware.
 - a. Doors and frames to be powder coated **black**.
 - b. Stainless steel, ball bearing hinges.
 - c. Heavy duty door closers.
 - d. Doors to have stainless steel kick plates.
 - e. Doors to include thresholds.
 - f. Grade 2, lever locks with deadbolt and latch guard.
7. Roll-up utility door.
8. Roofing materials
 - a. Pre-engineered wood truss roof system.
 - b. Roofing shall be Fabral, 29-gauge, GrandRib 3 roof panels with exposed fasteners. Color: **Evergreen 875**.

5. Storage Building Electrical Fixtures

The following electrical fixtures will be supplied by Romtec:

1. Exterior lighting
 - a. Wall mount, vandal resistant LED light fixtures.
 - b. Controlled by timer.
2. Interior lighting
 - a. 48" LED vapor tight ceiling mount light fixtures.
 - b. Controlled by motion sensor.
3. Main breaker panel sized for the building components.
 - a. 100 amp, single-phase, indoor.

2. Romtec Fabrication and Installation

The following are included in the fabrication and installation services for all buildings provided by Romtec:

- i. Foundation and Under-slab
 1. Equipment for excavation of foundation and slab.
 2. Installation of forming material for foundation and slab.
 3. Supply and installation of slab vapor barrier
 4. Installation of Romtec underground utilities, including connection to the site plumbing and electrical utilities within 10' of the building (plumbing and electrical)
 5. Backfill of Romtec underground utilities.
 6. Placement of rebar.
 7. Pouring of foundation slab.
- ii. Masonry Walls
 1. Installation of CMU block
 2. Placement of door frames, windows, and vents within CMU walls (if applicable)
 3. Placement of J-bolts or Glulam Brackets as applicable
- iii. Roof Structure
 1. Carpenters' installation of roof framing
 2. Installation of roofing underlayment
 3. Installation of roofing system
 4. Installation of gutters and downspouts
- iv. Interior Finish
 1. Painting of interior walls
 2. Placement of cove base tile (if applicable)
 3. Sealing of all exposed wood with Thompson's Waterproofing Wood Sealer
- v. Rough-In Plumbing/Electrical
 1. Installation of drain and vent lines
 2. Installation of water lines
 3. Installation of main breaker panel(s)
- vi. Doors and Hardware
 1. Installation of Doors and hardware
- vii. Installation of Finish Plumbing and Electrical
 1. Installation of plumbing fixtures
 2. Installation of electrical fixtures
- viii. Installation of all other applicable building kit components and fixtures that are supplied by Romtec (e.g. (if applicable), partitions, dispensers, ADA equipment, mirrors, diaper decks, etc.)
- ix. Completion of all applicable building inspections related to Romtec's installation
- x. Demonstration of full function and operation per approved designs and data sheets

3. Owner Responsibilities (By Others)

1. Site Preparation (All Structures)

1. Building Pad

The general contractor will be responsible for preparing the site and building pad prior to Romtec's arrival for installation work. The building pad must be level and compacted to within 6" of the finish floor elevation before Romtec arrives. The pad must be prepared per the requirements of any available geotechnical report.

Note: Any site grading or removal and replacement of fill materials for the building pad must be completed prior to Romtec's arrival. Romtec's installation services do not

include excavation beyond what is necessary for forming and pouring the concrete footings and slab.

2. **Soil Disposal**

Romtec is not disposing of any soils from the site.

3. **Surveying and Staking**

Romtec is not responsible for any site surveying or staking. Any required surveying and staking related to Romtec's work area must be completed prior to Romtec's arrival onsite.

2. Utilities (All Structures)

1. **Site Utilities**

Romtec is excluding the supply and installation of all incoming utilities. Utilities must be in place and available prior to Romtec's arrival onsite. **All utilities must be brought within 10' of the building pad prior to Romtec's arrival.** If the utilities are not in place and ready to use prior to Romtec's arrival, there will be additional charges for any required remobilization.

Note: Romtec has assumed that the site utility sizing matches what is shown on the Romtec plans. Any changes to the site utility sizing must be communicated to Romtec as soon as possible.

2. **Electrical Transformers**

Romtec is excluding the supply and installation of any required electrical transformers. Any required electrical transformers must be supplied and installed by others. If the electrical transformers are required for Romtec to perform installation work, they must be installed and functioning prior to Romtec's arrival for installation work.

3. **Electrical Junction Box**

Romtec is excluding the supply of any electrical junction box associated with the Romtec building(s). The junction box must be installed and ready for Romtec's use prior to Romtec's arrival onsite.

4. **Other Electrical**

Romtec is excluding the supply and installation of any electrical items not shown on the Romtec supplied panel. Romtec will install all electrical items supplied by Romtec, but Romtec is not supplying any extra conduit or any other site electrical items such as conduit for landscaping and lighting controls, even if those items are housed inside the building.

5. **Water Line Drain Valves and Sewer Line Back Flow Check Valves**

Romtec is excluding the supply and installation of any required water line drain valves and/or sewer line backflow check valves.

3. Site Concrete and Landscaping (All Structures)

1. **Sidewalks and Sidewalk Approaches**

Romtec is excluding the supply and installation of all sidewalks and sidewalk approaches.

2. **Landscaping**

Romtec is excluding the supply and installation of any landscaping.

4. Vitrochem Finish and Onsite Painting

1. Vitrochem Finish

Romtec is excluding the supply and installation of all Vitrochem finish, including for all exterior, interior, and floor surfaces. Vitrochem finish is by the Vitrochem installer, not by Romtec.

2. Onsite Painting

Any required finish painting of the buildings (for example painting over Vitrochem finishes) is by others, not by Romtec. Romtec is not performing any onsite paint supply or installation work.

5. General Exclusions

1. Unless otherwise stated, Romtec is not proposing to meet any Buy America standard for materials.
2. The following items will be supplied by **others** if applicable:
 1. All Permits related to construction and installation of Romtec Building
 2. Bonding (unless otherwise stated)
 3. Storm water and/or pollution prevention plans
 4. Erosion control plans
 5. Site specific safety plans
 6. Site specific protection plans
 7. Tree protection plans
 8. Site preparation per geotechnical report
 9. Backfill required for all structures
 10. Licensees except for the City Business License
 11. Special inspection services
 12. Rock excavation
 13. Demolition of existing structures
 14. Removal of excavated materials
 15. Site grading or asphalt paving
 16. Masonry pavers
 17. Booster pumps &/or pressure reducing valves
 18. Backflow check valves
 19. Fire alarm & fire suppression equipment
 20. Irrigation Equipment
 21. Lighting equipment not attached to the building
 22. Electrical transformer(s)
 23. Electrical junction box(es)
 24. Landscaping
 25. Plumbing freeze protection
 26. Site plans
 27. Sidewalks
 28. Construction mock-ups
 29. Construction fencing
3. Romtec does not provide LEED/Green submittals as a standard service. Romtec can assist in providing documentation for products that may meet LEED/Green standards, but Romtec does not provide or fill out LEED credit forms. Unless specifically included in Romtec's proposal and quote, Romtec does not supply materials with the intent of meeting LEED standards. Any changes due to LEED or Green building requirements will result in a change order and increased lead times."

Note: Romtec's scope of work is based on acceptance of the terms and conditions of the Romtec quote proposal, which may be attached here or provided separately.

4. Warranty and Limitations

The building and all its associated components will be warranted against defects in materials and workmanship for a period of not less than one year from date of final acceptance. Acceptance is defined as the date Romtec's Installation Services are completed. In the event that Romtec's installation work is delayed for any reason, the warranty shall be one year and six months from delivery of the primary building components. In the event that Romtec's delivery is delayed for any reason after the customer agrees to a final delivery schedule, the warranty shall be one year and six months from the date that the primary building components were ready to deliver.

1. Tiles will crack over time due to multiple factors including building settlement, wall movement, and other factors. Romtec cannot guarantee that the tiles in the building will not eventually crack. Romtec considers the repairing of cracks as a maintenance issue, and not a warranty issue. In other words, the tiles in the building will eventually crack and will not be covered under the building warranty.
2. All concrete cracks on the surface eventually. This can occur within the first week after the concrete is poured or years after. Surface cracks in concrete are a maintenance issue for the owner to fill over time. Cracks in concrete are not a warranty issue.



18240 North Bank Rd.
Roseburg, OR 97470
P: 541-496-3541
F: 541-496-0803
E: service@romtec.com

Date

10/12/2021

PROPOSAL/PO**#4-20-54-0011B****South Fontana Park**

Customer: City of Fontana
Kimberly Young
8353 Sierra Ave
Fontana, CA 92335



CA DIR# 1000002582

Quantity	Building Proposal Description	Extended Price
1	Romtec Restroom Building Design & Supply per Romtec Approved 3-9-20 Submittal and Current Engineered Plan Set & Comments Through 10-12-21.	\$ 350,056.14
2	Romtec Storage Building Design & Supply per Romtec Approved 3-9-20 Submittal and Current Engineered Plan Set & Comments through 10-12-21.	\$ 143,635.22
1	Romtec Design Service Order Refund	\$ (7,000.00)
CMAS DISCOUNT: Available only to qualified California State and Local Entities (Customer is responsible for all State of California incurred fees).		8.31% \$ (40,455.49)
ESTIMATED TAX BASED ON RATE OF: 7.75%		\$ 34,583.28
<i>Romtec Restroom Building Installation Only per Romtec Approved 3-9-20 Submittal and Current Engineered Plan Set & Comments Through 10-12-21.</i>		\$ 487,914.41
<i>Romtec Storage Building Installation Only per Romtec Approved 3-9-20 Submittal and Current Engineered Plan Set & Comments Through 10-12-21.</i>		\$ 290,064.30
<i>Payment and Performance Bond</i>		\$ 25,198.66
Estimated Freight to: Fontana, CA		\$ 14,418.00
ROMTEC INC. PURCHASE ORDER TOTAL		\$ 1,298,414.52

***Due to recent market volatility and inflation rates, the proposal pricing is valid for thirty (30) days from the proposal date. If the Customer has not returned a signed Purchase Order within thirty (30) days of the proposal date, Romtec, Inc. reserves the right to update the price to reflect cost changes.**

***This pricing is based on the understanding that Romtec, Inc. will be released for production within ninety (90) days. If, for any reason, Romtec, Inc. has not received Submittal Approval and Notice to Proceed with Production within ninety (90) days of the Purchase Order date, Romtec, Inc. reserves the right to update the Purchase Order price to reflect inflationary cost changes.**

***This proposal includes estimated sales or use tax based on the information available at the time of quoting. All sales are assumed subject to sales and use tax unless the customer provides Romtec with a resale certificate or proof of**

***Romtec charges 2.75% of total contract value for the bonding rate (if required). Unless specifically stated in the above quote, this amount is not included in the total amount shown, and may be applicable at the time of invoice.**

***This proposal includes the design & engineering by Romtec Inc. to produce a complete plan set that will meet the architectural and engineering code required in your state. In some cases local code may vary from typical state requirements and may result in a change in price that could not have been anticipated at time of quote.**

***All freight estimates listed above are F.O.B. Roseburg, OR. Freight prepaid and added. Delivery will be in accordance with a mutually agreed upon timeline as stated in the Romtec Inc. Notice to Proceed on Production document.**

*Non-Agency orders must be placed on Romtec Inc. purchase order forms.

*Shipping prices are estimates only and are subject to change without notice.

*Quote based on standard design averages, including: roof snowload of 25psf, IBC Seismic Design Category: C, Design Wind Speed: 115 MPH, Allowable Soule Bearing: 1500 psf, Occupancy Type: U, Construction: VB.

*A payment schedule and terms will be established after the Purchase Order is received. Romtec Inc. generally requires a deposit payment upon receipt of the signed Submittal Approval & Notice to Proceed on Production document. Any deposit amount will be defined with the forthcoming payment schedule.

*Design Services include Romtec providing one(1) initial unsealed plan set on 11x17 format and one (1) sealed revision in response to reviewing authority comments (excluding Romtec Trads and Originals; Romtec Trads and Originals do not include sealed plans. Sealing of plans for Trads and Original models is only available upon request and may result in additional fees). In any additional revisions, if sealing or changing in plan set size are requested or required, an additional design service will be charged.

*This proposal includes estimated sales or use tax based on the information available at the time of quoting. All sales are assumed subject to sales and use tax unless the customer provides Romtec with a resale certificate or proof of exemption. The applicable sales tax is

*The pricing defined in this proposal is contingent upon the customer signing this form and agreeing to the Romtec terms and conditions defined in this proposal. Any modifications to the terms and conditions defined herein may result in a price increase.

***The above prices, Terms & Conditions are satisfactory and are hereby accepted. Romtec Inc. is authorized to begin work on the Scope of Supply and Design Submittal document, which the customer will review prior to approval and Notice to Proceed on Production. Additionally, the customer will complete and return the Customer & Project Information request as expeditiously as possible so that payment terms, and bonding requirements (if applicable) can be established. The customer understands that by accepting this proposal they are issuing a Purchase Order for the project detailed above, but that production will not begin and delivery or installation dates cannot be established until the customer has granted design approval and notice to proceed on production.**

Customer/Owner Authorized Signature	Date	Romtec Inc. Authorized Signature	Date
Customer/Owner Printed Name		Romtec Inc. Printed Name	
Customer/Owner Company			



Proposal Terms & Conditions

Romtec, Inc. (ROMTEC) will provide the scope of supply as listed on the purchase order related hereto in accordance with the following terms and conditions:

Terms of Payment

Romtec offers terms upon approved payment bond and credit approval by Romtec's accounting department (to be determined at the time the Purchase Order is finalized and executed). Payments may be by check or wire transfer, Visa, MasterCard, Discover or American Express (a separate fee will be charged for payments exceeding \$20,000 made by credit card and for all COD deliveries). Romtec may agree to accept COD payment by bank certified funds or cashier's check if a carrier selected by Romtec ships materials.

Credit Terms

Upon execution of the Purchase Order agreement, Customer shall provide a completed credit application (subject to Romtec's approval) and evidence of payment bond securing Customer's obligation to pay the balance of the purchase price in full. Credit terms are conditional and may be modified subsequent if in the opinion of Romtec management, new information or conditions warrant such modification.

Payment Terms

To be established by Romtec's accounting department upon receipt of credit application.

Deviation From Payment

Time is of the essence with respect to Buyer's payment of the purchase price, and timely payment shall not be delayed or excused for any reason. Payment agreement between Buyer and other parties, or failure by other parties to pay Buyer or perform any agreement with Buyer shall not result in delay of payment to ROMTEC. ROMTEC does not accept partial payments, any offsets, and/or retainage against the Purchase Order price. Should Buyer not act according to the terms of payment for any reason, the terms granted will be revoked and any remaining goods or services not yet delivered are subject to pre-payment terms whereby payment, in full, is due 10 days prior to delivery. Any amounts not paid when due shall bear interest at the rate of 15 percent per annum or the highest lawful rate applicable, if such rate is less than 15 percent, from the date payment was due. For accounts that are 15 days or more past due, Romtec will withhold all warranty service until the account is fully paid and in good standing. This does not affect the warranty period timeframe.

Tax

Unless otherwise indicated on the ROMTEC quote or purchase order, any sales, use, consumption, value added or other goods/services based tax imposed by a state; county/local or other agency with jurisdictional authority is excluded from this order. Buyer is responsible for remitting any taxes that are applicable.

Change Orders

All Change Orders must be signed by the Buyer. Prices stated herein are valid for 30 days from the purchase order date, or two weeks from the purchase order date if unsigned, at which time ROMTEC may adjust its price if cost factors warrant. A change order will apply (charges will vary depending on the circumstances) for the following design/engineering events: (i) incurred costs related to ROMTEC making more than two revisions of plan documents in response to review comments, (ii) incurred costs of "resealing" plan documents, and (iii) incurred costs of changing plan set sizing from the standard 11" x 17" format. Additionally, any modifications (for any reason) to ROMTEC's Scope of Supply & Design Submittal, prior to formal approval, may result in a price adjustment. Any modification to ROMTEC's Scope of Supply & Design Submittal, after formal approval, requested or required by Buyer for any reason shall be performed by ROMTEC at Buyer's expense, as follows: (i) Buyer shall submit a written description of the modifications to ROMTEC; (ii) within 14 days of receipt of Buyer's description, ROMTEC shall provide to Buyer a written price quote for the modifications requested; (iii) Buyer shall pay the Change Order Invoice to ROMTEC in accordance with payment terms.

Delay of Project

Should progress of the project be delayed to where ROMTEC cannot produce and deliver six months from the date the purchase order is signed, Buyer will reimburse ROMTEC for all design and administrative expenses related to the completion of the Scope of Supply & Design Submittal as compensation for design services rendered, as well as expenses related to the authorized purchase or production of items requested. Additionally, Buyer agrees to accept cost increases that may occur during the time the project is delayed.

Terms of Delivery

ROMTEC will not be liable for any delay in the performance of orders or contracts, or in the delivery or shipment of goods, or for any damages suffered by the Buyer by reason of such delay, when such delay is beyond ROMTEC's control. All goods are shipped F.O.B. Roseburg, Oregon, which means that the risk of loss or damage to the goods and risk of delays in transit passes to the Buyer when the goods are duly delivered to the carrier at Roseburg, Oregon. ROMTEC has no control over arrival time of a shipment, and shall not be responsible for delays in shipments once the goods leave ROMTEC's plant. ROMTEC's suggested procedures for handling products are as follows:

- (1) All ROMTEC materials, whether palletized or separated from a pallet, must be handled per the instructions detailed in the ROMTEC Scope of Supply & Design Submittal with respect to the specified model of ROMTEC restroom facility or component.
- (2) All material received from, but not manufactured by ROMTEC must be handled per the specific handling instructions of the manufacturer of the material.
- (3) PROPER HANDLING EQUIPMENT, ITS SUPPLY AND OPERATION ARE STRICTLY THE RESPONSIBILITY OF THE BUYER.

Description of Products and Warranty

ROMTEC's Scope of Supply & Design Submittal document (provided subsequent to this order) contains & defines ROMTEC's complete offering of its products and services (as applicable). In addition, Section 4 of the Scope of Supply & Design Submittal defines ROMTEC's Limited One Year Warranty.

Terms of Shipment & Delivery

Unless otherwise specified on the purchase order, ROMTEC may ship goods pursuant to an order at any time after the goods are completed and ready for shipment. Further, unless payment has been made in advance, if a carrier holding a ROMTEC shipment ordered by a Buyer is ready to deliver the goods to the Buyer, the Buyer agrees to accept the goods at the carrier's earliest possible delivery date and time.

Store & Invoice

If Buyer delays shipment, regardless of the reason for delay, ROMTEC is permitted to invoice and the Buyer accepts the obligation to pay ROMTEC under its agreed upon payment terms, using the date the order was ready for shipment as the invoice date (if prepayment or COD terms apply, payment is due within 7 days from the time of delay). Once the order is invoiced, the materials shall become property of the agency/contractor. Further, ROMTEC may at its sole discretion invoice the Buyer for a minimum of \$450 per month for on-site storage. Deliveries that are delayed by the Buyer may be canceled by ROMTEC and the goods returned to ROMTEC at its discretion. Any costs or difficulties arising from the Buyer's act in delaying receipt of ROMTEC's shipments are the complete responsibility of the Buyer. The Buyer agrees to pay for the complete shipping cost if ROMTEC elects to cause the goods to be returned to ROMTEC or delivered to another Buyer.

Cancellation

Mutual acceptance of the purchase order indicates notice for ROMTEC to proceed with the provision of design services required in completing its Scope of Supply & Design Submittal. Should Buyer cancel its purchase order prior, the following fee schedule will take effect:

1. Cancellation after Purchase Order: 30% of total contract value due
2. Cancellation after Purchase Order and Submittal Approval but prior to Notice to Proceed on Production: 75% of total contract value due
3. Cancellation after Purchase Order, Submittal Approval, AND Notice to Proceed on Production: 100% of total contract value due

In addition, Buyer shall reimburse all expenses related to the authorized purchase or production of items requested prior to approval of the Scope of Supply & Design Submittal. ROMTEC requires that Buyer indicate approval of its supply offering by executing the signature page of its Scope of Supply & Design Submittal document and Notice to Proceed on Production. Upon granting ROMTEC approval of its Scope of Supply Design Submittal and Notice to Proceed on Production of the building kit package, the Buyer is waiving any rights to cancel its purchase order. ROMTEC does not accept returns or exchanges.

Contract Documents

Together with this Purchase Order, the following constitute the "Contract Documents" and the entire contract between the parties, either written or oral: (i) ROMTEC's Scope of Supply & Design Submittal, and (ii) Change Order form (if applicable).

Attorney Fees

If Buyer fails to pay any amount when due, and ROMTEC incurs any expenses in pursuit of collection, Buyer agrees to pay the reasonable attorney fees (whether or not litigation is commenced) and other costs of such collection.

In any dispute involving the interpretation or enforcement of this agreement or involving issues related to bankruptcy (whether or not such issues relate to the terms of this agreement), the prevailing party shall be entitled to recover from the non-prevailing party reasonable attorney fees, paralegal fees, costs, disbursements, and other expenses incurred by the prevailing party in the dispute, including those arising before and at any trial, arbitration, bankruptcy, or other proceeding, and in any appeal or review thereof. In addition, the amount recoverable by the prevailing party shall include an amount estimated as the fees, costs, disbursements, and other expenses that will be reasonably incurred in collecting a monetary judgment or award, or otherwise enforcing any order, judgment, award, or decree entered in the proceeding.

This agreement shall be interpreted and enforced according to the laws of the state of Oregon. The parties irrevocably submit and consent to the jurisdiction of the circuit courts of the State of Oregon for Douglas County, with respect to litigation regarding any dispute, claim or other matter related to this contract.

Controlling Provisions

The terms and conditions of this Purchase Order shall supersede and control any provisions, terms, and conditions contained on any confirmation order, Purchase Order, or other writing the Buyer may give or receive, and the rights of the parties shall be governed exclusively by the provisions, terms, and conditions hereof.

Binding Effect

This Purchase Order agreement shall be effective and in force only when signed by Buyer and also signed by ROMTEC. ROMTEC must consent to any assignment of this Purchase Order agreement in writing. Subject to any restrictions upon assignment, this Purchase Order agreement shall be binding on and inure to the benefit of the heirs, legal representatives, successors, and assigns of the parties.

Notice

All notices required by this Purchase Order agreement shall be in writing addressed to the party to whom the notice is directed at the address of that party set forth in this Purchase Order agreement and shall be deemed to have been given for all purposes upon receipt when personally delivered; one day after being sent, when sent by recognized overnight courier service; two days after deposit in United States mail, postage prepaid, registered or certified mail; or on the date transmitted by facsimile. Any party may designate a different mailing address or a different person for all future notices by notice given in accordance with this paragraph.

Modification

No modification of this Purchase Order agreement shall be valid unless it is in writing and is signed by all of the parties.

Interpretation

The paragraph headings are for the convenience of the reader only and are not intended to act as a limitation on the scope or meaning of the paragraphs themselves. This agreement shall not be construed against the drafting party.

Severability

The invalidity of any term or provision of this agreement shall not affect the validity of any other provision.

Waiver

Waiver of any party of strict performance of any provision of this Purchase Order agreement shall not be a waiver of or prejudice any party's right to require strict performance of the same provision in the future or of any other provision.

Force Majeure

Neither party will be liable for any delay or failure in the performance of any obligation under this Agreement or for any loss or damage (including indirect or consequential damage) to the extent that such nonperformance, delay, loss, or damage results from any contingency that is beyond the control of such party, provided such contingency is not caused by the fault or negligence of such party. A contingency for the purposes of this Agreement includes Acts of God, fires, floods, earthquakes, explosions, storms, wars, hostilities, blockades, public disorders, pandemic or other public health emergency, quarantine restrictions, embargoes, strikes, other labor disturbances or down time, unavailability of electronic communication lines or equipment, and compliance with any law, order or control of, or insistence by any governmental or military authority.

Counterparts

This Purchase Order agreement may be executed in multiple counterparts, each of which shall constitute one agreement, even though all parties do not sign the same counterpart.

May 11, 2017

Adam Aronson

Romtec, Inc. which will do business in California as Oregon Romtec, Inc.
18240 North Bank Road
Roseburg, Oregon 97470

Subject: RENEWAL of Oregon Romtec, Inc.'s California Multiple Award Schedule (CMAS)

CMAS Contract No.: 4-04-54-0011A, SUPPLEMENT NO. 4
CMAS Contract Term: May 11, 2017 through March 31, 2022
Base GSA Schedule No.: GS-07F-0095M

The State of California accepts your firm's offer and renews the attached California Multiple Award Schedule (CMAS) contract for the term identified above. The contract has been awarded the same contract number as the original CMAS contract. This contract number must be shown on each invoice rendered. Additionally, this letter shall not be construed as a commitment to purchase any or all of the State's requirements from your firm. Prior approval is required from the State for all news releases regarding this contract.

It is your firm's responsibility to furnish, upon request, a copy of this CMAS contract to State and local government agencies. A complete CMAS contract includes the following: **1)** this acceptance letter, **2)** CMAS cover pages (which includes the signature page, ordering instructions and special provisions, and any attachments or exhibits as prepared by the CMAS Unit), **3)** CMAS terms and conditions, **4)** Federal GSA terms and conditions, and **5)** product/service listing and prices. The CMAS Unit strongly recommends that government agencies place orders with Contractors who provide ALL of the contract elements described above.

To manage this contract, Contractors are directed to the "CMAS Contract Management and Information Guide", which can be accessed at www.dgs.ca.gov/pd/programs/leveraged/cmas.aspx, then select the "For Suppliers/Contractors" link. This guide covers topics such as CMAS Quarterly Reports, amendments, extensions, renewals, Contractor's change of address or contact person, company name change requests, and marketing your CMAS contract.

It is the Contractor's responsibility to submit on a timely basis detailed CMAS Quarterly Reports (along with any applicable incentive fees).

THE NEXT QUARTERLY REPORT DUE FOR THIS CONTRACT IS Q2-2017 (APR-JUN)
DUE BY JULY 15, 2017.

The "Approved CMAS Contractor" logo is only available to CMAS contract holders for display at conferences or on other marketing material. A login and password is required to download the logo. Go to <http://www.dgs.ca.gov/pd/Resources/FormsResourcesLibrary.aspx>, then select "Reference Material"; click on "CMAS Logos" under the heading "Marketing Tools". At the prompt, enter the login: "cmassupplier" and the password: "cmas010194".

Should you have any questions regarding this contract, please contact me at 916/375-4395. Thank you for your continued cooperation and support of the CMAS Program.

Bruce Fong
 BRUCE FONG, Program Analyst
 California Multiple Award Schedules Unit

State of California
MULTIPLE AWARD SCHEDULE
Romtec, Inc. which will do business in California as
Oregon Romtec, Inc.

CONTRACT NUMBER:	4-04-54-0011A
SUPPLEMENT NO.:	4
CMAS CONTRACT TERM:	5/11/2017 through 3/31/2022
CONTRACT CATEGORY:	Non Information Technology Goods
APPLICABLE TERMS & CONDITIONS:	<u>August 2010</u>
MAXIMUM ORDER LIMIT:	\$100,000
FOR USE BY:	State & Local Government Agencies
BASE GSA SCHEDULE NO.:	<u>GS-07F-0095M</u>
BASE SCHEDULE HOLDER:	Romtec, Inc.

This contract provides for the purchase and warranty of pre-fabricated buildings and accessories. (See page 2 for the restrictions applicable to this contract.)

NOTICE: Products and/or services on this CMAS contract may be available on a Mandatory Statewide Contract (formerly Strategically Sourced Contract). If this is the case, the use of this CMAS contract is restricted unless the State agency has an approved exemption pursuant to MM 05-11, and as further explained in the Statewide Contract User Instructions. Information regarding Statewide Contracts can be obtained at the website: <http://www.documents.dgs.ca.gov/pd/contracts/contractindexlisting.htm>. This requirement is not applicable to local government entities.

The purpose of this supplement is to renew this contract through 3-31-22. In addition, this supplement replaces in its entirety Oregon Romtec, Inc.'s existing California Multiple Award Schedule (CMAS) that expired on 3-31-17. The most current Ordering Instructions and Special Provisions and CMAS Terms and Conditions dated August 2010, products and/or services and pricing are included herein. Please review these provisions carefully because they may have changed since issuance of your last contract.

Agency non-compliance with the requirements of this contract may result in the loss of delegated authority to use the CMAS program. Contractor non-compliance with the requirements of this contract may result in contract termination.


Effective Date: **5/11/2017**
BRUCE FONG, Program Analyst, California Multiple Award Schedules Unit



2617 West Woodland Drive, Anaheim, CA 92801 USA
T: 888.315.9037 F: 866.308.9719 Info@Greenfieldsfitness.com

Customer Quotation

Date	Quote #
9/28/2021	Q018244

Sold To
City of Fontana Ticha Loera - Purchasing Specialist 8353 Sierra Ave Fontana, CA 92335 Tel: (909) 350-6696 E-mail: tloera@fontana.org

Ship To
South Fontana park CMAS Contract# 4-19-78-0102A

Project Name		Terms		Quote Valid Until		Rep
South Fontana Sports Park		50% Deposit, Balance		12/31/2021		SM
Item	Description	Color	Qt	Rate	Total	
	CMAS Contract# 4-19-78-0102A					
	Large Accessible Package					
SGR2005-1-19	2-Person Incline Sit-Up Benches (surface mount)	Green/ Tan	1	2,995.00	2,995.00T	
SGR2005-1-21	4-Person Lower Body Combo (surface mount)	Green/ Tan	1	4,495.00	4,495.00T	
SGR2005-1-22	4-Person Pendulum, Abs & Dip Station (surface mount)	Green/ Tan	1	3,995.00	3,995.00T	
SGR2005-1-26	2-Person Cross Country Ski (surface mount)	Green/ Tan	1	4,495.00	4,495.00T	
SGR2005-1-47-W	Accessible Vertical Press (surface mount)	Green/ Tan	1	5,495.00	5,495.00T	
SGR2005-1-48-W	Accessible Lat Pull Down (surface mount)	Green/ Tan	1	5,495.00	5,495.00T	
SGR2005-1-48A-W	Accessible Chest Press (surface mount)	Green/ Tan	1	5,495.00	5,495.00T	
SGR2005-1-48E-W	2-Person Accessible Combo Butterfly & Reverse Fly (Config. A) (surface mount)	Green/ Tan	1	6,595.00	6,595.00T	
SGR2005-1-48E-W	2-Person Accessible Combo Butterfly & Reverse Fly (Config. B) (surface mount)	Green/ Tan	1	6,595.00	6,595.00T	
SGR2005-1-77	8-Person Linear Combo (surface mount)	Green/ Tan	1	9,995.00	9,995.00T	
SGR2005-1-91	Rowing Machine (surface mount)	Green/ Tan	1	2,695.00	2,695.00T	
SGR2005-1-104N	4-Person Leg Press (surface mount)	Green/ Tan	1	5,595.00	5,595.00T	
SHP2009-5-03	Elliptical Cross Trainer (surface mount)	Green/ Tan	2	3,495.00	6,990.00T	
SHP2009-7-24	Plyometric Steps (Set of 3) (surface mount)	Green	1	2,995.00	2,995.00T	
SGR2005-1-105	Customized Announcement Sign (surface mount)	Green	1	1,795.00	1,795.00T	
	Subtotal				75,720.00	
GRI	General Rate Increase due to volatile raw material marketplace			17.00%	12,872.40T	

Additional Terms and Conditions of Sale

1. THIS QUOTE IS LIMITED TO AND GOVERNED BY THE TERMS CONTAINED HEREIN. Greenfields Outdoor Fitness, Inc. ("Greenfields") objects to any other terms proposed by Customer, in writing or otherwise, as material alterations, and all such proposed terms shall be void. Customer authorizes Greenfields to ship the Equipment and agrees to pay Greenfields the total amount specified. Shipping terms are FOB the place of shipment via common carrier designated by Greenfields. Payment terms are specified on Quote and all charges are due and payable in full to Greenfields Outdoor Fitness Inc, 2617 West Woodland Drive, Anaheim, CA 92801 unless notified otherwise by Greenfields in writing. Customer agrees to pay all additional service charges for past due invoices. Customer must provide proper tax exemption certificates to Greenfields, and shall promptly pay and discharge all otherwise applicable taxes, license fees, levies and other impositions on the Equipment at customers own expense. Purchase orders and payments should be made to the order of Greenfields Outdoor Fitness, Inc.

2. Use & Maintenance. Customer agrees to regularly inspect and maintain the Equipment as recommended by Greenfields.

3. Default, Remedies & Delinquency Charges. Customer's failure to pay any invoice when due, or its failure to otherwise comply with the terms of this Quote, shall constitute a default under all unsatisfied invoices ("Event of Default"). Upon an Event of Default, Greenfields shall have all remedies available to it at law or equity, including, without limitation, all remedies afforded a secured creditor under the uniform Commercial Code.

Customer agrees to assist and cooperate with Greenfields to accomplish its filing and enforcement of mechanic's or other liens with respect to the Equipment or its location or its repossession of the Equipment, and Customer expressly waives all rights to possess the Equipment after an Event of Default. All remedies are cumulative and not alternative, and no exercise by Greenfields of a remedy will prohibit or waive the exercise of any other remedy. Customer shall pay all reasonable attorneys' fees plus any costs of collection incurred by Greenfields in enforcing its rights hereunder. Subject to any limitations under law, Customer shall pay to Greenfields as liquidated damages, and not as a penalty, an amount equal to 1.5% per month of any payment that is delinquent in such month and is not received by Greenfields within ten (10) days after the date on which due.

CUSTOMER APPROVAL I hereby approve this order, the item selection, color selection and overall Terms & Conditions of this order. Name: _____ Date: _____ Signature: _____ PLEASE SIGN & Email to: Info@GreenfieldsFitness.com	Subtotal
	Sales Tax (7.75%)
	Total



2617 West Woodland Drive, Anaheim, CA 92801 USA
T: 888.315.9037 F: 866.308.9719 Info@Greenfieldsfitness.com

Customer Quotation

Date	Quote #
9/28/2021	Q018244

Sold To
City of Fontana Ticha Loera - Purchasing Specialist 8353 Sierra Ave Fontana, CA 92335 Tel: (909) 350-6696 E-mail: tloera@fontana.org

Ship To
South Fontana park CMAS Contract# 4-19-78-0102A

Project Name		Terms		Quote Valid Until		Rep
South Fontana Sports Park		50% Deposit, Balance		12/31/2021		SM
Item	Description	Color	Qt	Rate	Total	
GSA Standard Disco...	Subtotal				88,592.40	
	CMAS Standard Discount 8%			-8.00%	-7,087.39	
GSA Volume Discou...	CMAS Volume Discount 1% (\$1 - \$75,000)			-1.00%	-885.92	
GSA Fee 0.75%	CMAS Contract Fee			0.75%	604.64	
Shipping & Handling	Ships in large crates - forklift is needed to unload			4,590.00	4,590.00T	
	All units are Surface Mount installation method					
	Installation is not included in this quote					
	NOTE: CMAS Advantage pricing is for City's direct purchases and will not be extended to a third party.					

Additional Terms and Conditions of Sale

1. THIS QUOTE IS LIMITED TO AND GOVERNED BY THE TERMS CONTAINED HEREIN. Greenfields Outdoor Fitness, Inc. ("Greenfields") objects to any other terms proposed by Customer, in writing or otherwise, as material alterations, and all such proposed terms shall be void. Customer authorizes Greenfields to ship the Equipment and agrees to pay Greenfields the total amount specified. Shipping terms are FOB the place of shipment via common carrier designated by Greenfields. Payment terms are specified on Quote and all charges are due and payable in full to Greenfields Outdoor Fitness Inc, 2617 West Woodland Drive, Anaheim, CA 92801 unless notified otherwise by Greenfields in writing. Customer agrees to pay all additional service charges for past due invoices. Customer must provide proper tax exemption certificates to Greenfields, and shall promptly pay and discharge all otherwise applicable taxes, license fees, levies and other impositions on the Equipment at customers own expense. Purchase orders and payments should be made to the order of Greenfields Outdoor Fitness, Inc.

2. Use & Maintenance. Customer agrees to regularly inspect and maintain the Equipment as recommended by Greenfields.

3. Default, Remedies & Delinquency Charges. Customer's failure to pay any invoice when due, or its failure to otherwise comply with the terms of this Quote, shall constitute a default under all unsatisfied invoices ("Event of Default:"). Upon an Event of Default, Greenfields shall have all remedies available to it at law or equity, including, without limitation, all remedies afforded a secured creditor under the uniform Commercial Code.

Customer agrees to assist and cooperate with Greenfields to accomplish its filing and enforcement of mechanic's or other liens with respect to the Equipment or its location or its repossession of the Equipment, and Customer expressly waives all rights to possess the Equipment after an Event of Default. All remedies are cumulative and not alternative, and no exercise by Greenfields of a remedy will prohibit or waive the exercise of any other remedy. Customer shall pay all reasonable attorneys' fees plus any costs of collection incurred by Greenfields in enforcing its rights hereunder.

Subject to any limitations under law, Customer shall pay to Greenfields as liquidated damages, and not as a penalty, an amount equal to 1.5% per month of any payment that is delinquent in such month and is not received by Greenfields within ten (10) days after the date on which due.

CUSTOMER APPROVAL I hereby approve this order, the item selection, color selection and overall Terms & Conditions of this order. Name: _____ Date: _____ Signature: _____ PLEASE SIGN & Email to: Info@GreenfieldsFitness.com		Subtotal	\$85,813.73
		Sales Tax (7.75%)	\$6,603.70
		Total	\$92,417.43 84

12/12/2019

Sam Mendelsohn
Greenfields Outdoor Fitness, Inc.
2617 West Woodland Drive
Anaheim, CA 92801

Subject: Greenfields Outdoor Fitness, Inc's California Multiple Award Schedule (CMAS)

CMAS Number: 4-19-78-0102A
CMAS Term Dates: December 12, 2019 through August 20, 2022
Base GSA Schedule No.: GS-035-086GA

The State of California is pleased to accept your firm's offer to establish a California Multiple Award Schedule (CMAS), which we have assigned the CMAS number and term dates identified above. This CMAS number must be shown on each invoice rendered. Additionally, this letter shall not be construed as a commitment to purchase any or all of the State's requirements from your firm. Prior approval is required from the State for all news releases regarding this CMAS.

It is your firm's responsibility to furnish, upon request, a copy of this CMAS to State and local government agencies. A copy of this CMAS can be obtained at caleprocure.ca.gov. A complete CMAS consists of the following: **1)** CMAS cover pages (which includes the signature page, ordering instructions and special provisions, and any attachments or exhibits as prepared by the CMAS Unit), **2)** CMAS terms and conditions, **3)** Federal GSA (or Non-GSA) terms and conditions, and **4)** product/service listing and prices. The CMAS Unit strongly recommends that government agencies place orders with CMAS contractors who provide ALL of the elements described above.

To manage this CMAS, contractors are directed to the "CMAS Management and Information Guide", which can be accessed at www.dgs.ca.gov/pd/programs/leveraged/cmas.aspx, then select "For Suppliers/Contractors." This guide covers topics such as CMAS Quarterly Reports, amendments, extensions, renewals, CMAS contractor's change in contact information, company name change requests, and marketing your CMAS.

It is the CMAS contractor's responsibility to submit on a timely basis detailed CMAS Quarterly Reports (along with any applicable incentive fees).

THE NEXT QUARTERLY REPORT DUE FOR THIS CMAS IS Q4-2019 (OCT-DEC)
DUE BY JAN 15, 2020.

The "Approved CMAS Contractor" logo is only available to CMAS holders for display at conferences or on other marketing material. A login and password is required to download the logo. Go to www.dgs.ca.gov/pd/Resources/FormsResourcesLibrary.aspx, then select "Reference Material"; click on "CMAS Logos" under the heading "Marketing Tools". At the prompt, enter the login: "cmassupplier" and the password: "cmas010194".

Should you have any questions regarding this CMAS, please contact me at (916) 376-3840. Thank you for your continued cooperation and support of the CMAS Program.



ANDREW REEL, Program Analyst
California Multiple Award Schedules Unit

State of California
MULTIPLE AWARD SCHEDULE
Greenfields Outdoor Fitness, Inc.

CMAS NUMBER:	4-19-78-0102A
CMAS TERM DATES:	12/12/2019 through 8/20/2022
CMAS CATEGORY:	Non Information Technology Commodities
APPLICABLE TERMS & CONDITIONS:	<u>December 1, 2017</u> (www.dgs.ca.gov/-/media/Divisions/PD/Acquisitions/CMAS/Non-IT-Commodities-CMAS-Terms-and-Conditions.ashx?la=en&hash=9AD54FF697C740F342E8B9B5BDEEDFC263632CB3)
MAXIMUM ORDER LIMIT:	State Agencies: See Purchasing Authority Dollar Threshold provision Local Government Agencies: Unlimited
FOR USE BY:	State & Local Government Agencies
BASE GSA SCHEDULE #:	GS-03F-086GA
BASE SCHEDULE HOLDER:	Greenfields Outdoor Fitness, Inc.

This CMAS provides for the purchase and warranty of fitness equipment. (See page 3 for the restriction applicable to this CMAS.)

Andrew Reel

Effective Date: **12/12/2019**
ANDREW REEL, Program Analyst, California Multiple Award Schedules Unit

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A**

NOTICE: Products and/or services on this CMAS may be available on a Mandatory Statewide Contracts. If this is the case, the use of this CMAS is restricted unless the State agency has an approved exemption as explained in the Statewide Contract User Instructions. Information regarding Statewide Contracts can be obtained at the: Statewide Contract Index Listing (www.documents.dgs.ca.gov/pd/contracts/contractindexlisting.pdf). This requirement is not applicable to local government entities.

Buyers must verify that the CMAS vendor has a letter of authorization from the manufacturer or an authorized distributor for the sale of the products being procured. Service specific letters of authorization are required if the CMAS vendor is providing installation, maintenance, and repair services.

The most current Ordering Instructions and Special Provisions, CMAS Terms and Conditions, and products and/or services are included herein. All purchase orders issued by State agencies under this CMAS shall incorporate these Ordering Instructions and Special Provisions and CMAS Terms and Conditions dated December 1, 2017.

Agency non-compliance with the requirements of this CMAS may result in the loss of delegated authority to use the CMAS program.

CMAS contractor non-compliance with the requirements of this CMAS may result in termination of the CMAS.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A**

CMAS PRODUCT & SERVICE CODES

The CMAS Product & Service Codes listed below are for marketing purposes only. Review this CMAS and the base contract identified below for the products and/or services available on this CMAS.

Brand-Greenfields
Recreational-Exercise/Fitness

AVAILABLE PRODUCTS AND/OR SERVICES

All of the products from the manufacturer listed in the base GSA schedule are available within the scope of this CMAS.

The ordering agency must verify all products and/or services are currently available on the base General Services Administration (GSA) schedule. Access the GSA eLibrary at www.gsaelibrary.gsa.gov.

CMAS BASE CONTRACT

This CMAS is based on some or all of the products and/or services and prices from GSA Schedule Number GS-03F-086GA (GREENFIELDS OUTDOOR FITNESS, INC.) with a GSA term of 8/21/2017 through 8/20/2022.

EXCLUDED PRODUCTS AND/OR SERVICES

Order-Level Materials are not available under this CMAS.

ISSUE PURCHASE ORDER TO

Agency purchase orders must be either mailed or emailed to the following:

**Greenfields Outdoor Fitness, Inc.
2617 West Woodland Drive
Anaheim, CA 92801
Attn: Sam Mendelsohn**

**Fax: (866) 308-9719
E-mail: sam@greenfieldsfitness.com**

Agencies with questions regarding products and/or services may contact the CMAS contractor as follows:

**Contact: Sam Mendelsohn
Phone: (888) 315-9037
E-mail: sam@greenfieldsfitness.com**

TOP 500 DELINQUENT TAXPAYERS

In accordance with Public Contract Code (PCC) § 10295.4, and prior to placing an order for non-IT goods and services, **agencies must verify** with the Franchise Tax Board and the California Department of Tax and Fee Administration that this CMAS contractor's name does not appear on either list of the 500 largest tax delinquencies pursuant to Section 7063 or 19195 of the Revenue and Taxation Code. **See next paragraph for information.**

The Franchise Tax Board's list of Top 500 Delinquent Taxpayers is available at www.ftb.ca.gov/aboutftb/delinquent-taxpayers.shtml.

The California Department of Tax and Fee Administration's list of Top 500 Sales & Use Tax Delinquencies in California is available at www.cdtfa.ca.gov/taxes-and-fees/top500.htm.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A**

CALIFORNIA SELLER'S PERMIT

Greenfields Outdoor Fitness, Inc.'s California Seller's Permit Number is 101673707. Prior to placing an order with this company, agencies must verify that this permit is still valid at the California Department of Tax and Fee Administration website (cdtfa.ca.gov).

CMAS PRICES

The maximum prices allowed for the products and/or services available in this CMAS are those set forth in the base contract identified on page 2 of this CMAS.

The ordering agency is encouraged to seek prices lower than those on this CMAS. When responding to an agency's Request for Offer (RFO), the CMAS contractor can offer lower prices to be competitive.

PRICE DISCOUNTS

This CMAS contains quantity and prompt payment discounts. See the base GSA schedule for the specific percent of discount.

APPROVAL OF ORDERS FOR NON-IT SERVICES

1. State agencies entering into CMAS contracts for non-Information Technology services exceeding \$50,000 must forward their purchase order package to the DGS/PD-CMAS for review and approval prior to issuing the purchase order.

2. State agencies entering into more than one CMAS contract for non-Information Technology consulting services with the same CMAS contractor within a 12-month period for an aggregate amount of \$12,500 or more must have each contract approved by the DGS/PD-CMAS in compliance with Public Contract Code (PCC) § 10371.

For either one of the above situations, see the provision in this CMAS entitled "Consulting or Personal Services" for a listing of the documents needed and the address where they must be sent.

DARFUR CONTRACTING ACT

This CMAS contractor has certified compliance to the Darfur Contracting Act, per Public Contract Code (PCC) § 10475, et seq. It is the agency's responsibility to verify that the contractor has a Darfur Contracting Act Certification on file.

CALIFORNIA CIVIL RIGHTS LAW CERTIFICATION

Pursuant to Public Contract Code section 2010, effective January 1, 2017, applicants must certify their compliance with the California Civil Rights laws and Employer Discriminatory Policies (section 51 of the Civil Code, section 12960 of the Government Code). It is the agency's responsibility to verify that the contractor has a California Civil Rights Law Certification on file.

WARRANTY

For warranties, see the federal GSA schedule and the CMAS Terms and Conditions, General Provisions, CMAS Warranty.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A**

DELIVERY

30-60 days after receipt of order, or as negotiated between agency and CMAS contractor and included in the purchase order, or as otherwise stipulated in the contract.

SHIPPING INSTRUCTIONS

F.O.B. (Free On Board) Origin. Buying agency pays the freight charges.

State agencies (not local governments) shall follow the instructions below whenever the weight of the purchase is 100-lbs or more and F.O.B. Destination, Freight Prepaid is not used.

All shipments will be made by ground transportation unless otherwise ordered on the purchase order.

Before placing order, contact the DGS Transportation Management (916) 376-1888 to determine the routing of freight shipments. You will need to provide Transportation Management with the point of origin and destination. They will also want to know the commodity being shipped and the estimated shipping weight of the order. If shipping overnight, the account number must be included.

Routing information should be shown on the face of the purchase order in the format shown below.

Shipping Instructions:

Supplier route via:

Carrier's telephone number: _____

Annotate bill/s of lading as follows:

"Freight for account of State of California.
Tender Number: _____ applies. State
of California Purchase Order Number:
_____. SHIP FREIGHT COLLECT."
Estimated Freight charges: _____.

If supplier is unable to use this carrier, call Transportation Management at (916) 376-1888.

The following statement must be noted on the purchase order when the commodities are being shipped via UPS (United Parcel Service) and the State is paying directly to UPS (Collect).

Shipping Instructions:

Supplier route via United Parcel Service (ground).
State of California, Department of
_____. UPS account number applies.
State of California Purchase Order Number
_____. SHIP COLLECT. Estimated
UPS charges: _____.

If supplier is unable to use UPS, call Transportation Management at (916) 376-1888.

CMAS Contractor Note: Additional shipping costs incurred by deviation to above shipping instructions, without Transportation Management approval, shall be charged to the CMAS contractor.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A**

**PURCHASING AUTHORITY DOLLAR
THRESHOLD**

Order limits for the purchase of goods and/or services is determined by the individual agency purchasing authority threshold.

No CMAS order may be executed by a State agency that exceeds that agency's purchasing authority threshold. State agencies with approved purchasing authority, along with their dollar thresholds can be obtained at the List of State Departments with Approved Purchasing Authority website (www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/List-of-State-Departments-with-Approved-Purchasing-Authority).

HOW TO USE CMAS

Agencies must adhere to the detailed requirements in the State Contracting Manual (SCM) when using CMAS. The requirements for the following bullets are in the SCM, Volume 2, Chapter 6 (for non-IT), the SCM, Volume 3, Chapter 6 (for IT), and the SCM, Volume FISCAL, Chapter 5 (FISCAL):

- Develop a Request for Offer, which includes a Scope of Work (SOW), and Bidder Declaration form. For information on the Bidder Declaration requirements, see the SCM, Volume 2, Section 3.5.7 and Volume 3, Section 3.4.7.
- Search for potential CMAS contractors on the CMAS website (www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/California-Multiple-Award-Schedules) and select "Find a CMAS Contractor."

- Solicit offers from a minimum of 3 CMAS contractors including one small business and/or DVBE, if available, who are authorized to sell the products and/or services needed.
- If soliciting offers from a certified DVBE, include the Disabled Veteran Business Enterprise Declarations form (Standard 843) in the Request for Offer. This declaration must be completed and returned by the DVBE prime contractor and/or any DVBE subcontractors. (See the SCM Volumes 2, 3, and FISCAL, Chapter 3).
- This is not a bid transaction, so the small business preference, DVBE incentives, protest language, intents to award, evaluation criteria, advertising, etc., are not applicable.
- If less than 3 offers are received, State agencies must document their file with the reasons why the other suppliers solicited did not respond with an offer.
- Assess the offers received using best value methodology, with cost as one of the criteria.
- Issue a Purchase Order to the selected CMAS contractor.
- For CMAS transactions under \$10,000, only one offer is required if the State agency can establish and document that the price is fair and reasonable. The fair and reasonable method can only be used for non-customizable purchases.

Local governments set their own order limits, and are not bound by the order limits on the cover page of this CMAS.

SPLITTING ORDERS

Splitting orders to avoid any monetary limitations is prohibited.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A**

Do not circumvent normal procurement methods by splitting purchases into a series of delegated purchase orders, per Public Contract Code (PCC) § 10329.

Splitting a project into small projects to avoid either fiscal or procedural controls is prohibited, per State Administrative Manual (SAM) § 4819.34.

MINIMUM ORDER LIMITATION

There is no minimum dollar value limitation on orders placed under this CMAS.

ORDERING PROCEDURES

1. Purchase Orders

All Ordering Agency purchase order documents executed under this CMAS must contain the applicable CMAS number as show on page 1.

1. State Departments:

Standard 65 Purchase Documents – State departments not transacting in FI\$Cal must use the Purchasing Authority Purchase Order (Standard 65) for purchase execution. An electronic version of the Standard 65 is available at the DGS-PD website (www.dgsapps.dgs.ca.gov/osp/Statewid eFormsWeb/Forms.aspx), select Standard STD Forms.

FISCAL Purchase Documents – State departments transacting in FISCAL will follow the FISCAL procurement and contracting procedures.

2. Local Governmental Departments:

Local governmental agencies may use their own purchase document for purchase execution.

The agency is required to complete and distribute the purchase order. For services, the agency shall modify the information contained on the order to include the service period (start and end date), and the monthly cost (or other intermittent cost), and any other information pertinent to the services being provided. The cost for each line item should be included in the order, not just system totals.

The contractor must immediately reject purchase orders that are not accurate. Discrepancies are to be negotiated and incorporated into the purchase order prior to the products and services being delivered.

2. Service and Delivery after CMAS Expiration

The purchase order must be issued before the CMAS expires. However, delivery of the products or completion of the services may be after the CMAS expires (unless otherwise specifically stated in the purchase order).

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A**

3. Multiple CMAS Agreements on a Single Purchase Order

Agencies wishing to include multiple CMAS(s) on a single FISCAL purchase order must adhere to the following guidelines:

- All CMAS must be for the same CMAS contractor.
- The purchase order must go to one contractor location.
- Write the word "CMAS" in the space usually reserved for the contract number. On Standard 65's, this is at the top of the form. The word "CMAS" signifies that the purchase order contains items from multiple CMAS agreements. The purchasing agency may only use one bill code.
- For each individual CMAS (as differentiated by alpha suffix), the agency must identify and group together the CMAS number with the line items and subtotal per CMAS number (do not include tax in the subtotal), and sequentially identify each individual CMAS as Sub #1, Sub #2, Sub #3, etc. This facilitates accurate billing of administrative fees by the Procurement Division.
- The total of all items on the purchase order must not exceed the purchase order limit identified in the CMAS.
- Do not combine items from both non-IT and Information Technology CMAS(s). A non-IT CMAS begin with the number "4" and an Information Technology CMAS begins with the number "3." The purchase order limits are different for these two types of CMAS agreements.

4. Amendments to Agency's Purchase Orders

Agency purchase orders cannot be amended if the CMAS has expired.

The SCM, Volumes 2 & 3, Chapter 6.A5.0 and SCM, Volume FISCAL, Chapter 5.A4.0 provides the following direction regarding amendments to all types of CMAS purchase orders:

Original orders, which include options for changes (e.g., quantity or time), that were evaluated and considered in the selection for award during the RFO process, may be amended consistent with the terms of the original order, provided that the original order allowed for amendments. If the original order did not evaluate options, then amendments are not allowed unless an NCB is approved for those amendments.

Amendments unique to non-IT services are covered in the SCM, Volume 2, Chapter 6.B2.9 and SCM, Volume FISCAL, Chapter 5.A4.1 as follows:

If the original contract permitted amendments, but did not specify the changes (e.g., quantity or time), it may be amended, per Public Contract Code (PCC) § 10335 (d)(1). This only applies to the first amendment. The time shall not exceed one year, or add not more than 30% of the original order value and may not exceed \$250,000. If the original contract did not have language permitting amendments, the NCB process must be followed.

Also, see the SCM, Volumes 2 & 3, Chapter 8, Topic 6, for more information on amending purchase orders.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A**

**CMAS CONTRACTOR OWNERSHIP
INFORMATION**

Greenfields Outdoor Fitness, Inc. is a large business enterprise.

**SMALL BUSINESS MUST BE
CONSIDERED**

Prior to placing orders under the CMAS program, State agencies shall whenever practicable first consider offers from small businesses that have established CMAS [Government Code (GC) § 14846(b)]. NOTE: The Department of General Services auditors will request substantiation of compliance with this requirement when agency files are reviewed.

**CMAS Small Business and Disabled Veteran
Partners lists**

(www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/California-Multiple-Award-Schedules) can be found on the CMAS website by selecting "Find a CMAS Contractor".

In response to our commitment to increase participation by small businesses, the Department of General Services waives the administrative fee (a fee currently charged to customer agencies to support the CMAS program) for orders to certified small business enterprises.

See the current fees in the DGS Price Book at: www.dgs.ca.gov/OFS/Price-Book.

SMALL BUSINESS/DVBE - TRACKING

State agencies are able to claim subcontracting dollars towards their small business or DVBE goals whenever the CMAS contractor subcontracts a commercially useful function to a certified small business or DVBE.

The CMAS contractor will provide the ordering agency with the name of the small business or DVBE used and the dollar amount the ordering agency can apply towards its small business or DVBE goal.

**SMALL BUSINESS/DVBE -
SUBCONTRACTING**

1. The amount an ordering agency can claim towards achieving its small business or DVBE goals is the dollar amount of the subcontract award made by the CMAS contractor to each small business or DVBE.
2. The CMAS contractor will provide an ordering agency with the following information at the time the order is quoted:
 - a. The CMAS contractor will state that, as the prime contractor, it shall be responsible for the overall execution of the fulfillment of the order.
 - b. The CMAS contractor will indicate to the ordering agency how the order meets the small business or DVBE goal, as follows:
 - i. List the name of each company that is certified by the Office of Small Business and DVBE Services that it intends to subcontract a commercially useful function to; and
 - ii. Include the small business or DVBE certification number of each company listed, and attach a copy of each certification; and

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A**

- iii. Indicate the dollar amount of each subcontract with a small business or DVBE that may be claimed by the ordering agency towards the small business or DVBE goal; and
 - iv. Indicate what commercially useful function the small business or DVBE subcontractor will be providing towards fulfillment of the order.
3. The ordering agency's purchase order must be addressed to the prime Contractor, and the purchase order must reference the information provided by the prime Contractor as outlined above.

NEW EQUIPMENT REQUIRED

The State will procure new equipment. All equipment must be new (or warranted as newly manufactured) and the latest model in current production. Used, shopworn, demonstrator, prototype, or discontinued models are not acceptable.

Where Federal Energy Management Program (FEMP) standards are available, all State agencies shall purchase only those products that meet the recommended standards. All products displaying the Energy Star label meet the FEMP standards.

SPECIAL MANUFACTURED GOODS

Any CMAS for goods to be manufactured by the CMAS contractor specifically for the State and not suitable for sale to others may require progress payments.

For Non-IT goods CMAS, see the CMAS Non-IT Commodities Terms and Conditions, Provision 69, Progress Payments.

TRADE-IN EQUIPMENT

Trade-ins at open market price may be considered. The product description and trade-in allowance must be identified on the purchase order.

Agencies are required to adhere to State Administrative Manual (SAM) § 3520 through 3520.6, Disposal of Personal Property and Surplus Personal Property, as applicable, when trade-ins are considered. A Property Survey Report, Standard 152, must be submitted for approval prior to disposition of any State-owned personal property, including general office furniture regardless of the acquisition value, or if the property was recorded or capitalized for accounting purposes.

OPEN MARKET/INCIDENTAL, NON-SCHEDULE ITEMS

The only time that open market/incidental, non-schedule items may be included in a CMAS order is when they fall under the parameters of the Not Specifically Priced (NSP) Items provision. If the NSP provision is not included in the CMAS, or the products and/or services required do not qualify under the parameters of the NSP provision, the products and/or services must be procured separate from CMAS.

NOT SPECIFICALLY PRICED (NSP) ITEMS

CMAS contractors must be authorized providers of the hardware, software and/or services they offer under the Not Specifically Priced (NSP) Items provision.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A**

Agency and CMAS contractor use of the NSP provision is subject to the following requirements:

1. Purchase orders containing only NSP items are prohibited.
2. A purchase order containing NSP items may be issued only if it results in the lowest overall alternative to the State.
3. NSP items shall be clearly identified in the order. Any product or service already specifically priced and included in the base contract may not be identified as an NSP item.
4. NSP Installation Services: The CMAS contractor is fully responsible for all installation services performed under the CMAS. Product installations must be performed by manufacturer authorized personnel and meet manufacturer documented specifications. The prime contractor, as well as any subcontractors, must hold any certifications and/or licenses required for the project. The total dollar value of all installation services included in the purchase order cannot exceed the dollar value of the products included in the purchase order, nor can they exceed the NSP Maximum Order Limitation.
5. Maximum Order Limitation: For orders \$250,000, or less, the total dollar value of all NSP items included in a purchase order shall not exceed \$5,000. For orders exceeding \$250,000, and at the option of the contractor, the total dollar value of all NSP items in a purchase order shall not exceed 5% of the total cost of the order, or \$25,000 whichever is lower.

6. An NSP item included in an order issued against a CMAS is subject to all of the terms and conditions set forth in the contract.

7. Trade-ins, upgrades, involving the swapping of boards, are permissible, where the contract makes specific provisions for this action. In those instances where it is permitted, the purchase order must include the replacement item and a notation that the purchase involves the swapping of a board.

The following NSP items ARE SPECIFICALLY EXCLUDED from any order issued under this CMAS:

1. Items not intended for use in directly supporting the priced items included in the same order. An NSP item must be subordinate to the specifically priced item that it is supporting. For example, a cable, which is not otherwise specifically priced in the base contract, is subordinate to a specifically priced printer or facsimile machine, and is eligible to be an NSP item subject to that cable meeting the remaining NSP requirements. However, a printer or facsimile machine, which is not otherwise specifically priced in the base contract, is not subordinate to a specifically priced cable, and is not eligible to be an NSP item.
2. Supply type items, except for the minimum amount necessary to provide initial support to the priced items included in the same order.
3. Items that do not meet the Productive Use Requirements for information technology products, per the SCM, Volume 3, Chapter 2, Section 2.B6.2 and SCM, Volume FISCAL, Chapter 2, Section 2.E3.2.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A**

4. Any other item or class of items specifically excluded from the scope of this CMAS.
5. Public Works components NOT incidental to the total purchase order amount.
6. Products or services the CMAS contractor is NOT factory authorized or otherwise certified or trained to provide.
7. Follow-on consultant services that were previously recommended or suggested by the same CMAS contractor.

The CMAS contractor is required to reject purchase orders containing NSP items that do not conform to the above requirements. The CMAS contractor will promptly notify the agency issuing the non-conforming order of its non-acceptance and the reasons for its non-acceptance.

STATE AND LOCAL GOVERNMENTS CAN USE CMAS

State and local government agency use of CMAS is optional. A local government is any city, county, city and county, district, or other local governmental body or corporation, including UC, CSU, K-12 schools and community colleges empowered to expend public funds. While the State makes this CMAS available, each local government agency should make its own determination whether the CMAS program is consistent with their procurement policies and regulations.

UPDATES AND/OR CHANGES

A CMAS amendment is not required for updates and/or changes once the update and/or change becomes effective for the federal GSA schedule, except as follows:

- A CMAS amendment is required when the CMAS is based on specific products and/or services from another contractor's multiple award contract and the contractor wants to add a new manufacturer's products and/or services.
- A CMAS amendment is required for new federal contract terms and conditions that constitute a material difference from existing contract terms and conditions. A material change has a potentially significant effect on the delivery, quantity or quality of items provided, the amount paid to the contractor or on the cost to the State.

A CMAS amendment is required to update and/or change terms and conditions and/or products and services based on a non-federal GSA multiple award contract.

SELF-DELETING FEDERAL GSA TERMS AND CONDITIONS

Instructions, or terms and conditions that appear in the Special Items or other provisions of the federal GSA and apply to the purchase, license, or rental (as applicable) of products or services by the US Government in the United States, and/or to any overseas location shall be self-deleting. (Example: "Examinations of Records" provision).

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A**

Federal regulations and standards, such as Federal Acquisition Regulation (FAR), Federal Information Resources Management Regulation (FIRMR), Federal Information Processing Standards (FIPS), General Services Administration Regulation (GSAR), or Federal Installment Payment Agreement (FIPA) shall be self-deleting. Federal blanket orders and small order procedures are not applicable.

ORDER OF PRECEDENCE

The CMAS Terms and Conditions takes precedence if there is a conflict between the terms and conditions of the contractor's federal GSA, (or other multiple award contract), packaging, invoices, catalogs, brochures, technical data sheets or other documents (see CMAS Terms and Conditions, CONFLICT OF TERMS).

APPLICABLE CODES, POLICIES AND GUIDELINES

All California codes, policies, and guidelines are applicable. THE USE OF CMAS DOES NOT REDUCE OR RELIEVE STATE AGENCIES OF THEIR RESPONSIBILITY TO MEET STATEWIDE REQUIREMENTS REGARDING CONTRACTING OR THE PROCUREMENT OF GOODS OR SERVICES. Most procurement and contract codes, policies, and guidelines are incorporated into CMAS agreements. Nonetheless, there is no guarantee that every possible requirement that pertains to all the different and unique State processes has been included.

PAYMENTS AND INVOICES

This CMAS contains quantity and prompt payment discounts. See the base GSA schedule for the specific percent of discount.

1. Payment Terms

Payment terms for this CMAS are net 45 days.

Payment will be made in accordance with the provisions of the California Prompt Payment Act, Government Code (GC) § 927 et. seq. Unless expressly exempted by statute, the Act requires State agencies to pay properly submitted, undisputed invoices not more than 45 days after (1) the date of acceptance of goods or performance of services; or (2) receipt of an undisputed invoice, whichever is later.

2. Payee Data Record (Standard 204)

State Agencies not transacting in FISCAL, must obtain a copy of the Payee Data Record (Standard 204) in order to process payments. State Ordering Agencies forward a copy of the Standard 204 to their accounting office(s). Without the Standard 204, payment may be unnecessarily delayed. State Agencies should contact the CMAS contractor for copies of the Payee Data Record.

3. DGS Administrative and Incentive Fees

Orders from State Agencies:

The Department of General Services (DGS) will bill each State agency directly an administrative fee for use of CMAS. The administrative fee should NOT be included in the order total, nor remitted before an invoice is received from DGS. This administrative fee is waived for CMAS purchase orders issued to California certified small businesses.

See the current administrative fees in the **DGS Price Book**
(www.dgs.ca.gov/OFS/Price-Book).

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A**

**Orders from Local Government
Agencies:**

CMAS contractors, who are not California certified small businesses, are required to remit to the DGS an incentive fee equal to **1.00%** of the total of all local government agency orders (excluding sales tax and freight) placed against their CMAS. The incentive fee is in lieu of local government agencies being billed the above referenced DGS administrative fee.

This incentive fee is waived for CMAS purchase orders issued to California certified small businesses.

The check covering this fee shall be made payable to the Department of General Services, CMAS Unit, and mailed to the CMAS Unit along with the applicable Quarterly Report. See the provision in this CMAS entitled "Contractor Quarterly Report Process" for information on when and where to send these checks and reports.

4. Contractor Invoices

Unless otherwise stipulated, the CMAS contractor must send their invoices to the agency address set forth in the purchase order. Invoices shall be submitted in triplicate and shall include the following:

- CMAS number
- Agency purchase order number
- Agency Bill Code (State Only)
- Line item number
- Unit price
- Extended line item price
- Invoice total

State sales tax and/or use tax shall be itemized separately and added to each invoice as applicable.

The company name on the CMAS, purchase order and invoice must match or the State Controller's Office will not approve payment.

5. Advance Payments

Advance payment is allowed for services only under limited, narrowly defined circumstances, e.g., between specific departments and certain types of non-profit organizations, or when paying another government agency (Government Code (GC) § 11256 – 11263 and 11019).

It is NOT acceptable to pay in advance, except software maintenance and license fees, which are considered a subscription and may be paid in advance if a provision addressing payment in advance is included in the purchase order.

Software warranty upgrades and extensions may also be paid for in advance, one time.

6. Credit Card

Greenfields Outdoor Fitness, Inc. accepts the State of California credit card (CAL-Card).

A purchase order is required even when the ordering department chooses to pay the CMAS contractor via the CAL-Card.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A**

7. Lease/Purchase Analysis

State agencies must complete a Lease/Purchase Analysis (LPA) to determine best value when contemplating a lease/rental, and retain a copy for future audit purposes (State Administrative Manual (SAM) § 3710).

For short-term rental equipment, the lease/purchase analysis must be approved by the Department of General Services, Office of Legal Services.

The lease/purchase analysis for all other purchases must be approved by the Department of General Services, GS Smart State Financial Marketplace. Buyers may contact the GS Smart™ Administrator, Patrick Mullen by phone at (916) 375-4617 or via e-mail at patrick.mullen@dgs.ca.gov for further information.

8. Leasing

The State reserves the right to select the form of payment for all procurements, be it either an outright purchase with payment rendered directly by the State, or a financing/lease-purchase or operating lease via the State Financial Marketplace (GS Smart and/or Lease Smart). If payment is via the financial marketplace, the Supplier will invoice the State and the State will approve the invoice and the selected Lender/Lessor for all product listed on the State's procurement document will pay the supplier on behalf of the State.

Buyers may contact the GS Smart™ Administrator, Patrick Mullen by phone at (916) 375-4617 or via e-mail at patrick.mullen@dgs.ca.gov for further information.

**CONTRACTOR QUARTERLY REPORT
PROCESS**

CMAS contractors are required to submit a detailed CMAS Business Activity Report on a quarterly basis to the CMAS Unit. See Attachment B for a copy of this form and instructions.

This report shall be mailed to:

Department of General Services
Procurement Division – CMAS Unit
Attention: Quarterly Report Processing
PO Box 989052, MS #2-202
West Sacramento, CA 95798-9052

Reports that include checks for incentive fees must be mailed and shall not be e-mailed. All other reports may be e-mailed to the attention of Quarterly Report Processing as follows:

CMAS Unit E-Mail: cmas@dgs.ca.gov

For the full instructions on completing and submitting CMAS Quarterly Business Activity Reports, and a soft copy of a blank quarterly report form, go to the CMAS website (www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/California-Multiple-Award-Schedules) and then select "File a CMAS Quarterly Report".

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A**

Important things to remember regarding
CMAS Quarterly Business Activity Reports
(referred to as "reports" below):

- A report is required for each CMAS, each quarter, even when no new purchase orders are received in the quarter.
- A separate report is required for each CMAS.
- **Each purchase order must be reported only once in the quarter identified by the purchase order date, regardless of when the services were performed, the products were delivered, the invoice was sent, or the payment was received.**
- Purchase orders from State and local government agencies must be separated on the report, as shown in the instructions.
- CMAS contractors must report the sales activity for all resellers listed on their CMAS.
- Any report that does not follow the required format or excludes required information will be deemed incomplete and returned to the CMAS contractor for corrections.
- Taxes and freight must not be included in the report.
- CMAS contractors must attach to their quarterly report a check covering the required incentive fee for all CMAS sales to local government agencies (see more information below).
- New CMAS agreements, renewals, extensions, and amendments will be approved only if the CMAS contractor has submitted all required quarterly reports and incentive fees.

CMAS Quarterly Business Activity Reports are due in the CMAS Unit within two weeks after the end of each quarter as shown below:

Quarter 1	Jan 1 to Mar 31	Due Apr 15
Quarter 2	Apr 1 to Jun 30	Due Jul 15
Quarter 3	Jul 1 to Sep 30	Due Oct 15
Quarter 4	Oct 1 to Dec 31	Due Jan 15

CONTRACTOR QUARTERLY INCENTIVE FEES

CMAS contractors who are not California certified small businesses must remit to DGS an incentive fee equal to **1.00%** of the total of all local government agency orders (excluding sales tax and freight) placed against their CMAS agreement(s). This incentive fee is in lieu of local government agencies being billed the above referenced DGS administrative fee.

CMAS contractors cannot charge local government agencies an additional **1.00%** charge on a separate line item to cover the incentive fee. The CMAS contractor must include the **1.00%** incentive fee in the price of the products or services offered, and the line item prices must not exceed the applicable base contract prices.

A local government agency is any city, county, district, or other local governmental body, including the California State University (CSU) and University of California (UC) systems, K-12 public schools and community colleges empowered to expend public funds.

This incentive fee is waived for CMAS purchase orders issued to California certified small businesses.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A**

The check covering this fee shall be made payable to the Department of General Services, CMAS Unit, and mailed to the CMAS Unit along with the applicable Quarterly Report. See the provision in this CMAS entitled "Contractor Quarterly Report Process" for information on when and where to send these checks and reports.

OBTAINING COPY OF ORIGINAL CMAS AND AMENDMENTS

A copy of a CMAS and amendments, if any, can be obtained at Cal eProcure (caleprocure.ca.gov). A complete CMAS consists of the following:

- CMAS cover pages (which includes the signature page, ordering instructions and special provisions, and any attachments or exhibits as prepared by the CMAS Unit)
- CMAS Terms and Conditions.
- Federal GSA (or Non-GSA) terms and conditions
- Product/service listing and prices
- Amendments, if applicable.

It is important for the agency to confirm that the required products, services, and prices are included in the CMAS and are at or below base contract rates. To streamline substantiation that the needed items are in the base contract, the agencies should ask the CMAS contractor to identify the specific pages from the base contract that include the required products, services, and prices. Agencies should save these pages for their file documentation.

CONTRACTORS ACTING AS FISCAL AGENTS ARE PROHIBITED

When a subcontractor ultimately provides all of the products or performs all of the services that a CMAS contractor has agreed to provide, and the prime contractor only handles the invoicing of expenditures, then the prime contractor's role becomes that of a fiscal agent because it is merely administrative in nature, and does not provide a Commercially Useful Function (CUF). It is unacceptable to use fiscal agents in this manner because the agency is paying unnecessary administrative costs.

AGENCY RESPONSIBILITY

Each agency is responsible for its own contracting program and purchasing decisions, including use of the CMAS program and associated outcomes.

This responsibility includes, but is not necessarily limited to, ensuring the necessity of the services, securing appropriate funding, complying with laws and policies, preparing the purchase order in a manner that safeguards the State's interests, obtaining required approvals, and documenting compliance with Government Code (GC) § 19130.b (3) for outsourcing services.

It is the responsibility of each agency to consult as applicable with their legal staff and contracting offices for advice depending upon the scope or complexity of the purchase order.

If you do not have legal services available to you within your agency, the DGS Office of Legal Services is available to provide services on a contractual basis.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A**

CONFLICT OF INTEREST

Agencies must evaluate the proposed purchase order to determine if there are any potential conflict of interest issues. See the CMAS Terms and Conditions, Conflict of Interest, for more information.

FEDERAL DEBARMENT

When federal funds are being expended, the agency is required to obtain (retain in file) a signed "Federal Debarment" certification from the CMAS contractor before the purchase order is issued.

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98, Section 98.510, Participants; responsibilities. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211).

CONTRACTOR TRAVEL

The Travel provision is not applicable to this CMAS.

LIQUIDATED DAMAGES FOR LATE DELIVERY

The value of the liquidated damages cannot be a penalty, must be mutually agreed upon by agency and contractor and included in the purchase order to be applicable.

ACCEPTANCE TESTING CRITERIA

If the agency wants to include acceptance testing for all newly installed technology systems, and individual equipment, and machines which are added or field modified (modification of a machine from one model to another) after a successful performance period, the test criteria must be included in the purchase order to be applicable.

AMERICANS WITH DISABILITY ACT (ADA)

Section 504 of the Rehabilitation Act of 1973 as amended; Title VI and VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act, 42 USC 12101; California Code of Regulations, Title 2, Title 22; California Government Code, Sections 11135, et seq.; and other federal and State laws, and Executive Orders prohibit discrimination. All programs, activities, employment opportunities, and services must be made available to all persons, including persons with disabilities. See Attachment A for Procurement Division's ADA Compliance Policy of Nondiscrimination on the Basis of Disability.

Individual government agencies are responsible for self-compliance with ADA regulations.

Contractor sponsored events must provide reasonable accommodations for persons with disabilities.

DGS PROCUREMENT DIVISION CONTACT AND PHONE NUMBER

Department of General Services
Procurement Division, CMAS Unit
707 Third Street, 2nd Floor, MS 2-202
West Sacramento, CA 95605-2811

Phone # (916) 375-4365

CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GREENFIELDS OUTDOOR FITNESS, INC.
CMAS NO. 4-19-78-0102A

ATTACHMENT A

ADA NOTICE

Procurement Division (State Department of General Services)
AMERICANS WITH DISABILITIES ACT (ADA) COMPLIANCE
POLICY OF NONDISCRIMINATION ON THE BASIS OF DISABILITY

To meet and carry out compliance with the nondiscrimination requirements of the Americans with Disabilities Act (ADA), it is the policy of the Procurement Division (within the State Department of General Services) to make every effort to ensure that its programs, activities, and services are available to all persons, including persons with disabilities.

For persons with a disability needing a reasonable accommodation to participate in the Procurement process, or for persons having questions regarding reasonable accommodations for the Procurement process, please contact the Procurement Division at (916) 375-4400 (main office); the Procurement Division TTY/TDD (telephone device for the deaf) or California Relay Service numbers which are listed below. You may also contact directly the Procurement Division contact person who is handling this procurement.

IMPORTANT: TO ENSURE THAT WE CAN MEET YOUR NEED, IT IS BEST THAT WE RECEIVE YOUR REQUEST AT LEAST 10 WORKING DAYS BEFORE THE SCHEDULED EVENT (i.e., MEETING, CONFERENCE, WORKSHOP, etc.) OR DEADLINE DUE-DATE FOR PROCUREMENT DOCUMENTS.

The Procurement Division TTY telephone numbers are:

Sacramento Office: 916-376-5127 (CALNET 480-5127)

The California Relay Service Telephone Numbers are:

Voice: 1-800-735-2922, or 7-1-1

Speech to Speech Service: 1-800-854-7784

CMAS QUARTERLY BUSINESS ACTIVITY REPORT

Company Name: _____

Reporting Calendar Year: _____

Revision ☐

CMAS Number: _____

Reporting Quarter:

☐ Q1 (January to March)

☐ Q2 (April to June)

☐ Q3 (July to September)

☐ Q4 (October to December)

For Questions Regarding this Report Contact:

Name: _____

Phone Number: _____

E-mail: _____

Check Here if No New Orders for This Quarter ☐

State Agency Name	Purchase Order Number	Purchase Order Date	Total Dollars Per Purchase Order	Agency Contact	Agency Address	Phone Number

Total State Agency Dollars Reported for Quarter: \$ _____

Local Government Agency Name	Purchase Order Number	Purchase Order Date	Total Dollars Per Purchase Order	Agency Contact	Agency Address	Phone Number

Total Local Government Agency Dollars for Quarter: \$ _____

1.00% Remitted to DGS (does not apply to CA certified Small Businesses): \$ _____

Total of State and Local Government Agency Dollars Reported for this Quarter: \$ _____

ATTACHMENT B

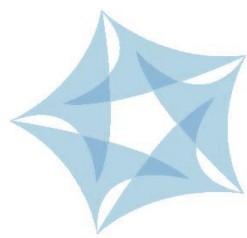
CMAS Quarterly Business Activity Report

Instructions for **completing** the CMAS Quarterly Business Activity Report

1. Complete the top of the form with the appropriate information for your company.
2. **Agency Name** - Identify the State agency or Local Government agency that issued the order.
3. **Purchase Order Number** - Identify the purchase order number (and amendment number if applicable) on the order form. This is not your invoice number. This is the number the State agency or Local Government agency assigns to the order.
4. **Purchase Order Date** - Identify the date the purchase order was issued, as shown on the order. This is not the date you received, accepted, or invoiced the order.
5. **Total Dollars Per Purchase Order** - Identify the total dollars of the order excluding tax and freight. Tax must NOT be included in the quarterly report, even if the agency includes tax on the purchase order. The total dollars per order should indicate the entire purchase order amount (less tax and freight) regardless of when you invoice order, perform services, deliver product, or receive payment.
6. **Agency Contact** - Identify the ordering agency's contact person on the purchase order.
7. **Agency Address** - Identify the ordering agency's address on the purchase order.
8. **Phone Number** - Identify the phone number for the ordering agency's contact person.
9. **Total State Sales & Total Local Sales** - Separately identify the total State dollars and/or Local Government agency dollars (pre-tax) for all orders placed in quarter.
10. **1.00% Remitted to DGS** - Identify 1.00% of the total Local Government agency dollars reported for the quarter. This is the amount to be remitted to DGS by contractors who are not California certified small businesses.
11. **Grand Total** - Identify the total of all State and Local Government agency dollars reported for the quarter.

Notes:

- A report is required for each CMAS, each quarter, even if there are no new orders for the quarter.
- Quarterly reports are due two weeks after the end of the quarter.



USASHADE
& Fabric Structures®

South Fontana Park

10/7/2021

Proposal Prepared For:

City of Fontana

310 North Joy Street

Corona, CA 92879

AZ: 289388 CA: 989458 LA: 61718 NV: 78724
NM: 383826 TN: 68712 DIR: 1000003533

www.usa-shade.com

| 800-966-5005

Date: 10/7/2021

Proposal for USA SHADE & Fabric Structures

Project Information:				Sales Information:	
Purchaser:	City of Fontana	Contact:	Kimberly Young	Sales Rep:	Patti Abrecht
Project Name:	South Fontana Park	Phone:	909.350.7632	Phone:	949.466.4592
Quote No:	PRA 2021 0923 SFP	Email:	kyoung@fontana.org	Email:	pabrecht@usa-shade.com
PO No:		Fax:		Fax:	

Billing Information:		Shipping Information:		Jobsite Information:	
City of Fontana		SOUTHERN CALIFORNIA		South Fontana Park	
310 North Joy Street		1085 N. Main Street, Suite C		Intersection of Santa Ana Avenue between Cypress Avenue and Juniper Avenue	
Corona		Orange		Fontana	
CA		CA		CA	
92879		92867			
Contact:	Kimberly Young	Contact:	Patti Abrecht	Contact:	
Phone	909.350.7632	Phone	949.466.4592	Phone	
Email:	kyoung@fontana.org	Email:	pabrecht@usa-shade.com	Email:	
Fax:	0	Fax:	0	Fax:	


CORPORATE ADDRESS:2580 Esters Blvd., Suite 100
DFW Airport, TX 75261**MAILING ADDRESS:**P.O. Box 3467
Coppel, TX 75019**REMITTANCE ADDRESS:**P.O. Box 734158
Dallas, TX 75373-4158**SOUTHERN CALIFORNIA:**1085 N. Main Street, Suite C
Orange, CA 92867**NORTHERN CALIFORNIA:**927 Enterprise Way, Suite A
Napa, CA 94558**ARIZONA:**2452 W. Birchwood Ave, Suite 112
Mesa, AZ 85202**LAS VEGAS:**6225 S. Valley View Blvd., Suite I
Las Vegas, NV 89118


NOTE: This message is intended only for the use of the individual to whom it is addressed, and contains information that is privileged, confidential, and exempt from disclosure under applicable law. If you are not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any unauthorized disclosure, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by phone and return the original message to the applicable address above.

www.usa-shade.com 800-966-5005

AZ: 289388 CA: 989458 LA: 61718 NV: 78724 NV: 78724 NM: 383826 TN: 68712 DIR: 1000003533

Structure Pricing

Structure 1				
UNIT IMAGE	UNIT DETAILS			
	Unit Quantity:	12	Foundations By	USA Shade
	Unit Type:	Panorama	Grout Installation	USA Shade
	Structure Size:	15'x30'	Footing Type:	Drilled Pier
	USA Shade Model Number	215.1	Base Attachment:	Recessed Base Plate
	Entry Height:	12'	Anchor Bolts:	Included
	No of Columns:	2 per unit	Concrete Cutting:	N/A
	No of Fabric Tops:	1 per unit	Dirt Removal:	Included
	Fabric Type:	Colourshade_FR	Surface Type:	Dirt
	Fabric Color:	TBD	NOTES Foundation layout to be provided by others confirming final location and top of foundation elevations.	
	Steel Finish:	Coastal Primer w/ Powder Coating		
Steel Color:	TBD (Std Colors)			
PRICE	Electrical Provisions:	N/A		
TURNKEY/INSTALLED	Cable/HDW Finish:	Galvanized		
	Concept No:	CON-FEB-033-20		

Structure 2				
UNIT IMAGE	UNIT DETAILS			
 <div>Super Span Pyramid Multi-Level Multi-Panel</div>	Unit Quantity:	1	Foundations By	USA Shade
	Unit Type:	Super Span Pyramid Multi-Level Multi-Panel	Grout Installation	USA Shade
	Structure Size:	60x60	Footing Type:	Drilled Pier
	USA Shade Model Number		Base Attachment:	Recessed Base Plate
	Entry Height:	12	Anchor Bolts:	Included
	No of Columns:	4 per unit	Concrete Cutting:	N/A
	No of Fabric Tops:	4 panels	Dirt Removal:	Included
	Fabric Type:	Colourshade_FR	Surface Type:	Dirt
	Fabric Color:		NOTES Foundation layout to be provided by others confirming final location and top of foundation elevations.	
	Steel Finish:	Coastal Primer w/ Powder Coating		
Steel Color:				
PRICE	Electrical Provisions:	1 per column plus brackets per Conceptual		
TURNKEY/INSTALLED	Cable/HDW Finish:	Galvanized		
	Concept No:	CON-FEB-033-20		

ACCESS/MISC.			
QTY	ITEM	DETAILS	COST
	Payment and Performance Bonds		\$22,681
TOTAL FOR ACCESS/MISC ITEMS:			\$22,681

PRICING TOTALS:	
Unit Total	\$ 925,759
Payment & Performance Bonds	\$ 22,681
Shipping/Handling	Included
SUBTOTAL	\$ 948,440
Sales Tax (7.75%)	Included
Engineering	Included
Installation	Included
TOTAL PRICE	\$ 948,440

PAYMENT TERMS:	
(1) Upon execution of the Agreement (Deposit)	20%
(2) Upon delivery of Unit(s)	
(3) Upon completion of assembly/installation	
(4) Other (specify): <i>subcontract w/ progress billing</i>	X
NOTES:	
ROPOSAL IN ACCORDANCE WITH SOURCEWELL RFP #010521 EQUIPMENT PRICING & LABOR RATES	

USA SHADE reserves the right to implement a surcharge for significant increases in raw materials, including the following, but not limited to: fuel, steel, fabric, and concrete. Proposal pricing is only valid for 30 days due to the fluctuation in pricing. Due to recent significant increases experienced in raw steel and fabric materials, it may be necessary to order, invoice, and receive payments for steel and fabric as soon as final sizing can be determined.

ENGINEERING REQUIREMENTS		NOTES
Building Code	CBC 2019	Pricing based on standard drill pier footings; Existing site conditions and/or constraints that require non-standard drill pier foundations will result in additional charges. Location & removal of existing underground utilities, etc. to be provided by others.
Wind Load	129 mph	
Snow Load	5 psf	
Drawing Size	Electronic	
No. of Sealed Drawings	N/A	
Calculations Required	Yes	

INCLUSIONS / EXCLUSIONS					
INCLUDED	EXCLUDED	ENGINEERING REQUIREMENTS	INCLUDED	EXCLUDED	INSTALLATION - MISCELLANEOUS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sealed Drawings & Calculations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Prevailing Wage / Certified Payroll
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Permit Submittal (By Others)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Union Wages
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Permit Fee (By Others)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Fencing
<input type="checkbox"/>	<input checked="" type="checkbox"/>	DSA Submittal & Fees (By Others)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Curb Repair
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Design and Engineering of Structure	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Landscape Repair
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Design and Engineering of Foundation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Demolition (Existing Structures)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Reactions and Loads for attachment to Walls, Rooftops, or Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Payment and Performance Bonds (Add if Req'd)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Foundation Location and Elevation Survey (By Others)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Special Inspection Fees (By Others)



Construction Assumptions

- 1) The designated area for our structures will be accessible by drive-up for unloading of our trucks and equipment, including personnel man-lifts, forklifts, etc. Should a crane be required and direct access not available, additional costs for such will be submitted by a Change Order.
- 2) Our pricing is based on the ability to perform all of our work with clear, sequential, and continuous access without interruption during normal daytime working hours. We have assumed one mobilization for the installation of foundations, steel and fabric; if additional mobilizations are required, there will be an additional charge. We will require exclusive access to the area for our work during the construction process.
- 3) Our pricing does not include daily site delays accessing the work areas. USA SHADE will submit a Change Order for any delays caused by other trades which interfere or cause us to stop working.
- 4) Pricing assumes secure storage and adequate lay down area for our tools, equipment, and materials, within close proximity to the installation site will be provided, free of charge.
- 5) Our price assumes others to provide 110-volt electrical service and necessary potable water available within 100 feet of our work.
- 6) We will require site sanitary facilities and refuse containers by others within 200 feet of our work.
- 7) USA SHADE will leave its work and materials in a clean condition at the conclusion of our work.
- 8) Barricades and public security requirements are not included.
- 9) Unless specifically included in this proposal, this agreement does not include, and Company will not provide, services, labor, or materials for any of the following work: (a) removal and disposal of any materials containing asbestos or any hazardous materials as defined by the EPA; (b) moving Owner's property around the installation site; (c) repair or replacement of any Purchaser or Owner-supplied materials; or (d) repair of damage to existing surfaces that may occur when construction equipment and vehicles are being used in the normal course of construction.
- 10) Pricing for foundation design is based on drilled pier footings. In the event the geotechnical report requires an alternate configuration, any additional costs incurred will be submitted to the client by a Change Order.
- 11) Digging of our foundations will not be constrained by any existing concrete or utilities. USA SHADE will not be responsible for moving or repairing any underground utility lines such as electrical, telephone, gas, water, or sprinkler lines that may be encountered during installation.
- 12) Any additional costs incurred as a result of hard rock conditions requiring extra equipment, utility removal or repair, resulting in delay, will result in additional charges unless they are detailed on as-built site drawings provided to USA SHADE or marked on the ground and communicated to USA SHADE in writing prior to installation.

GENERAL TERMS & CONDITIONS AND WARRANTY

- 1) **Proposal:** The above proposal is valid for **30** days from the date first set forth above. After 30 days, we reserve the right to increase prices due to the rise in cost of raw materials, fuel, or other cost increases. When applicable, USA SHADE & Fabric Structures reserves the right to implement a surcharge for significant increases in raw materials, including, but not limited to; fuel, steel, and concrete. Due to the duration of time between proposals, contracts, and final installation, USA SHADE & Fabric Structures reserves the right to implement this surcharge, when applicable.
- 2) **Purchase:** By executing this proposal, or submitting a purchase order pursuant to this proposal (which shall incorporate the terms of this agreement specifically by reference) which is accepted by USA SHADE & Fabric Structures (the "Company"), the purchaser identified above ("you" or the "Purchaser") agrees to purchase Shade Structures brand shade structures ("Structures") and the services to be provided by the Company, as detailed in the "Structure Pricing" and "General Scope of Work" sections of this agreement, above, or in the relevant purchase order accepted by the Company, for use by Purchaser or for installation by Company or Purchaser on behalf of a third-party who will be the ultimate owner of the Structures (the ultimate owner of a Structure, whether Purchaser or a third-party, being the "Owner").
- 3) **Short Ship Claims:** Purchaser has 15 days from receipt of the structures to file a short ship report in writing to its sales representative. Company will not honor claims made after this time.



- 4) **Standard Exclusions:** Unless specifically included under the "General Scope of Work" section above, this agreement does not include, and Company will not provide, services, labor, or materials for any of the following work: (a) removal and disposal of any materials containing asbestos or any hazardous materials as defined by the EPA; (b) moving Owner's property around the installation site; (c) repair or replacement of any Purchaser or Owner-supplied materials; (d) repair of concealed underground utilities not located on prints supplied to Company by Owner during the bidding process, or physically staked out by Owner, and which are damaged during construction; or (e) repair of damage to existing surfaces that may occur when construction equipment and vehicles are being used in the normal course of construction.
- 5) **Bonding Guidelines:** If Purchaser will use or provide the Structures and Services for an Owner other than Purchaser (including, without limitation, as a subcontractor of Purchaser), Purchaser will include the following statement in Purchaser's contract with Owner:
- "The manufacturer's warranty for the Shade Structures brand shade structures is a separate document between USA SHADE & Fabric Structures and the ultimate owner of the Shade Structures brand shade structures, which will be provided to the ultimate owner at the time of completion of the installation and other services to be provided by USA SHADE & Fabric Structures. Due to surety requirements, any performance and/or payment bond will cover only the first year of the USA SHADE & Fabric Structures warranty."
- 6) **Insurance Requirements:** Company is not required to provide any insurance coverage in excess of Company's standard insurance. A copy of the Company's standard insurance is available for your review prior to acceptance of the Company's proposal.
- 7) **Payment:** Terms of payment are defined in the "Pricing Details" section and are specific to this contract. For purposes of this agreement, "Completion" is defined as being the point at which the Structure is suitable for its intended use, the issue of occupancy consent, or a final building department approval is issued, whichever occurs first. In any event where Completion cannot be effected due to delays or postponements caused by the Purchaser or Owner, final payment (less 10% retainage) is due within 30 days of the date when Completion was scheduled, had the delay not occurred. All payments must be made to Shade Structures, Inc., P.O. Box 734158, Dallas, TX 75373-4158. If the Purchaser or Owner fails or delays in making any scheduled milestone payments, the Company may suspend the fulfillment of its obligations hereunder until such payments are made, or Company may be relieved of its obligations hereunder if payment is more than 60 days past due. Company may use all remedies available to it under current laws including, but not limited to, filing of liens against the property and using a collection agency or the courts to secure the collection of the outstanding debt.
- 8) **Lien Releases:** Upon request by Owner, Company will issue appropriate partial lien releases as corresponding payments are received from Purchaser, but prior to receiving final payment from Purchaser or Owner. Company will provide a full release of liens upon receipt of final payment. In accordance with state laws, Company reserves the right to place a lien on the property if final payment has not been received 10 days prior to the filing deadline for liens.
- 9) **Site Plan Approval, Permit/s, Permit Fees, Plans, Engineering Drawings, and Surveying:** Site plan approval, permits, permit fees, plans, engineering drawings, and surveying are specifically excluded from this agreement and the Services unless specified under the "General Scope of Work". The Company does not in any way warrant or represent that a permit or site plan approval for construction will be obtained. Sealed engineered drawings that are required but not included in the "General Scope of Work" will result in an additional cost to Purchaser.
- 10) **Manufacturing & Delivery:** Manufacturing lead-time from Company's receipt of the "Notice To Proceed" is approximately 6 to 8 weeks for standard structures, and 8 to 12 weeks for custom structures. Delivery is approximately 1 week thereafter. Delivery of structures may be prior to or at start of assembly. Please note that these timelines do not include approval or permitting timeframes.
- 11) **Returned Product, Deposits, and/or Cancelled Order:** Within the first 45 days after shipment from our facility, all returned product(s) and cancelled orders are subject to a 50% restocking fee. No returns are available following this 45 day period. All deposits are non-refundable. All expenses incurred (engineering, site surveys, shipping, handling, etc.) are the responsibility of the Purchaser, up to notice of cancellation.



- 12) **Concealed Conditions:** "Concealed conditions" include, without limitation, water, gas, sprinkler, electrical and sewage lines, post tension cables, and steel rebar. This agreement is based solely on observations the Company was able to make either by visual inspection or by drawings and/or plans submitted by Owner at the time this agreement was bid. If additional Concealed Conditions are discovered once work has commenced, which were not visible at the time this proposal was bid, Company will stop work and indicate these unforeseen Concealed Conditions to Purchaser or Owner so that Purchaser and Company can execute a Change Order for any additional work. In any event, any damage caused by or to unforeseen Concealed Conditions is the sole responsibility of the Purchaser and Company shall not be held liable for any such damage. Soil conditions are assumed to be soil that does not contain any water, hard rock (such as limestone, caliche, etc.), rocks larger than 4 inches in diameter, or any other condition that will require additional labor, equipment and/or materials not specified by the Purchaser or Owner in the bidding process. Any condition requiring additional labor, equipment, and/or materials to complete the drilling or concrete operations will require a Change Order before Company will complete the process. Price quotes are based on a drilled pier footing. Any variation will incur additional charges (i.e. spread footings, concrete mat, sand, water, landfill, etc.). Costs for footing and installation do not include any allowance for extending below frost lines (the additional costs for which vary by geographical region).
- 13) **Changes in the Work:** During the course of this project, Purchaser may order changes in the work (both additions and deletions). Additionally, an approving agency may require changes in the work from the original design or engineering quoted and provided by the Company (both additions and deletions.) The cost of these changes will be determined by the Company, and a Change Order form must be completed and signed by both the Purchaser and the Company, which will detail the "General Scope of the Change Order". Should any Change Order be essential to the completion of the project, and the Purchaser refuses to authorize such Change Order, then Company will be deemed to have performed its part of the project, and the project and services will be terminated. Upon such termination, Company will submit a final billing to Purchaser for payment, less a labor allowance for work not performed but including additional charges incurred due to the stoppage. No credit will be allowed for materials sold and supplied, which will remain the property of the Purchaser.
- 14) **Indemnification:** To the fullest extent permitted by law, Purchaser shall indemnify, defend, and hold harmless the Company and its consultants, agents, and employees or any of them from and against claims, damages, losses and expenses, including, but not limited to, attorneys' fees related to the installation of the Structure or performance of the services, provided that such claim, damage, loss, or expense is attributable to bodily injury to, sickness, disease, or death of a person, or to injury to or destruction of tangible property, but only to the extent caused by the negligent acts or omissions of the Purchaser or its agents, employees, or subcontractors, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in Section 15.
- 15) **Statement of Limited Warranty:**
- The structural integrity of all supplied steel is warranted for ten years.
 - If assembly is provided by the Company, workmanship of the structure is covered for one year, including labor for the removal of any failed part, disassembly (if necessary), cost of shipping, and reassembly.
 - All steel surface finishes are warranted for one year.
 - Shadesure™, Colourshade® FR, eXtreme 32™, Commercial 95™, SaFRshade™, and Monotec 370™ fabrics all carry a ten year limited manufacturer's warranty against failure from significant fading, deterioration, breakdown, outdoor heat, cold, or discoloration. Should the fabric need to be replaced under the warranty, the Company will manufacture and ship a new replacement fabric at no charge for the first six years, thereafter pro-rated at 20% per year over the remaining four years. The following are exceptions to the preceding warranty terms:
 - o Shadesure™ fabrics in Red, Yellow, Atomic Orange, Electric Purple, Zesty Lime, Cinnamon, Olive, and Mulberry carry a five year pro-rated
 - o Fabric tops attached to Coolbrella™ structures carry a three year warranty;
 - o Individual fabric tops measuring greater than 40' in length are covered by a non-prorated five year warranty;
 - o Preconstraint 502™ waterproof membrane is subject to an eight year pro-rated warranty.
 - Sewing thread is warranted for ten years.



General Limited Warranty Terms and Conditions

- These limited warranties are effective from the date of sale, or, if assembly is provided by the Company, upon receipt by Company from Purchaser of a completed and signed "Customer Checklist and Sign-off" form.
- In its sole discretion, the Company will repair and or/replace defective structures, products or workmanship, or refund that portion of the price related to the defective product, labor, or service rendered.
- The Company reserves the right, in cases where certain fabric colors have been discontinued, to offer the Purchaser or Owner a choice of available alternative colors to replace the warranted fabric. The Company does not guarantee that any particular color will be available for any period of time, and reserves the right to discontinue any color for any reason, without recourse by the Purchaser or Owner of the discontinued fabric color.
- Should the Purchaser or Owner sell the structures to another party, the warranty cannot be transferred to the new owner without a complete and thorough on-site inspection performed by a Company representative. Please contact the Company at warranty@usa-shade.com for more details.
- All warranty claims covering Company supplied structures, products, and services must be submitted by Purchaser or Owner in writing to the Company within thirty days from the date of discovery of the alleged defect and must include a detailed description and applicable photographs of the alleged defect or problem. Warranty claims should be submitted by email to warranty@usa-shade.com.
- Purchaser or Owner agrees that venue for any court action to enforce these limited warranties shall be in the City or County of Dallas in the State of Texas, USA.
- These limited warranties are void if:
 - o the supplied structures, products, services and/or labor are not paid for in full;
 - o the structures are not assembled in strict compliance with USA SHADE specifications;
 - o any changes, modifications, additions, or attachments are made to the structures in any way, without prior written approval from the Company. Specifically, no signs, objects, fans, light fixtures, etc. may be hung from the structures, unless specifically engineered by the Company.
- These limited warranties do not cover defects and/or damages caused by:
 - o normal wear and tear;
 - o misuse, willful or intentional damage, vandalism, contact with chemicals, cuts and Acts of God (i.e. tornado, hurricane, micro/macros burst, earthquake, wildfires, etc.);
 - o ice, snow or wind loads in excess of the designed load parameters engineered for the supplied structures;
 - o use, maintenance, neglect, repair, and/or service inconsistent with the Company's written care and maintenance instructions, provided with the order.
- The limited warranties explicitly exclude:
 - o workmanship related to assembly not provided by the Company or its agents;
 - o fabric curtains, valances, and flat vertical panels;
 - o fabric tops installed on structures that were not engineered and originally supplied by the Company.
- THE COMPANY SHALL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, LIQUIDATED, EXEMPLARY, OR PUNITIVE DAMAGES, OR ANY LOSS OF REVENUE, PROFIT, USE OR GOODWILL, WHETHER BASED UPON CONTRACT, TORT (INCLUDING NEGLIGENCE), OR ANY OTHER LEGAL THEORY, ARISING OUT OF A BREACH OF THIS WARRANTY OR IN CONNECTION WITH THE SALE, INSTALLATION, MAINTENANCE, USE, OPERATION OR REPAIR OF ANY PRODUCT OR SERVICE. IN NO EVENT WILL THE COMPANY BE LIABLE FOR ANY AMOUNT GREATER THAN THE PURCHASE PRICE FOR ANY PRODUCT OR SERVICE PROVIDED BY THE COMPANY.
- THE FOREGOING LIMITED WARRANTY IS THE SOLE AND EXCLUSIVE WARRANTY FOR THE COMPANY'S PRODUCTS AND SERVICES, AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, IN LAW OR IN FACT. SELLER SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE OR PURPOSE, AND ANY IMPLIED WARRANTIES ARISING OUT OF COURSE OF DEALING OR PERFORMANCE OR TRADE USAGE. PURCHASER, BY ACCEPTANCE AND USE OF THIS LIMITED WARRANTY, WAIVES ANY RIGHTS IT WOULD OTHERWISE HAVE TO CLAIM OR ASSERT THAT THIS LIMITED WARRANTY FAILS OF ITS ESSENTIAL PURPOSE.

Colourshade ® and eXtreme 32™ are registered trademarks of Multiknit Pty. Ltd.

Commercial 95™ and SaFRshade™ are registered trademarks of Gale Pacific USA Inc.

Monotec 370™ is a registered trademark of PRO-KNIT Industries Pty. Ltd.

Precontraint 502™ is a registered trademark of Serge Ferrari North America, Inc.



16) **Assembly/Installation:**

- Company will notify Purchaser of the scheduled assembly date. Owner agrees to have an owner representative meet the assembly crew at the job site on the scheduled assembly date to verify the exact location where the structure(s) is to be placed.
 - Labor for the removal, assembly, and/or freight charges will only be covered by Company in instances where the structures supplied and installed by Company are determined by the Company to be defective. In all cases where structures are not installed by Company, all labor for the removal, assembly, and/or freight of the structures will be the Purchaser's responsibility.
 - Installation prices are based on a single mobilization charge. If additional mobilizations are required, there will be additional charges.
 - If the requested services require Company access to Owner's premises, Company will be provided access to the Owner's premises free and clear of debris, automobiles, or other interference Monday ~ Friday during the hours of 8:00am to 6:00pm, and Company will have access to water and electrical facilities during installation. Additional charges will apply if utilities are not easily accessible. Where applicable, all vehicles will be moved prior to Company's crew beginning any installation.
 - Company will not be responsible for moving or repairing any underground utility lines such as electrical, telephone, gas, water, or sprinkler lines that may be encountered during installation.
 - Any additional costs incurred as a result of hard rock conditions requiring extra equipment, utility removal or repair resulting in delay will result in additional charges unless they are detailed on as-built site drawings provided to Company or marked on the ground and communicated to Company in writing prior to fabrication and installation.
- 17) **Installation/Assembly on-site:** Where installation/assembly is part of the services, Purchaser must provide the Company with a detailed drawing prepared by or for the Owner showing exactly where the structures are to be assembled as well as detailing any obstacles or other impediments that may cause the assembly process to be more difficult. Any fixture(s), e.g., playground, pools, etc., that the structures are to be assembled over must also be detailed, along with their peak heights (if applicable).
- 18) **Site/Use Review by Purchaser:** Company relies on the Purchaser to determine that the structures ordered are appropriate and safe for the Owner's installation site and/or intended use. Company is not responsible for damages or injuries resulting from collisions by moving objects or persons with the structure post(s). Company can recommend, or supply at additional cost, padding for posts from a third party manufacturer.
- 19) **Preparatory Work:** Where installation/assembly is part of the services and in the event that the foundation or job site is not suitable or ready for assembly to begin on the scheduled day, a Delay of Order notification must be sent to Company at least 4 working days prior, in order to allow Company to reschedule the project. In the event that Company is not notified and incurs an expense in attempting to execute the assembly, a re-mobilization charge may be charged to Purchaser before Company will reschedule the assembly.
- 20) **Delegation: Subcontractors:** The services and the manufacturing and assembly of the structures may be performed by subcontractors under appropriate agreements with the Company.
- 21) **Force Majeure: Impracticability:** The Company shall not be charged with any loss or damage for failure or delay in delivering or assembling of the structures when such failure or delay is due to any cause beyond the control of the Company, due to compliance with governmental regulations or orders, or due to any Acts of God, strikes, lockouts, slowdowns, wars, or shortages in transportation, materials or labor.
- 22) **Dispute Resolution:** Any controversy or claim arising out of or related to this agreement must be settled by binding arbitration administered in Dallas, TX by a single arbitrator selected by the parties or by the American Arbitration Association, and conducted in accordance with the construction industry arbitration rules. Judgment upon the award may be entered in any court having jurisdiction thereof.
- 23) **Entire Agreement; No Reliance:** This agreement represents and contains the entire agreement between the parties. Prior discussion or verbal representations by the parties that are not contained in this agreement are not part of this agreement. Purchaser hereby acknowledges that it has not received or relied upon any statements or representations by Company or its agents which are not expressly stipulated herein, including without limitation any statements as to the structures, warranties, or services provided hereunder.
- 24) **No Third-Party Beneficiaries:** This agreement creates no third-party rights or obligations between Company and any other person, including any Owner who is not also a Purchaser. It is understood and agreed that the parties do not intend that any third party should be a beneficiary of this agreement.
- 25) **Governing Law:** The agreement will be construed and enforced in accordance with the laws of the State of Texas.
- 26) **Assignment:** Purchaser may not assign this agreement, by operation of law or otherwise, without the prior written consent of Company. The agreement shall be binding upon and inure to the benefit of the Company and the Purchaser, and their successors and permitted assigns.



Executed to be effective as of the date executed by the Company:

NOTE: FOR ANY PURCHASE EQUAL TO OR EXCEEDING \$100,000.00 USD, NO WORK, OTHER THAN PRE-WORK, SHALL BE UNDERTAKEN WITHOUT A MUTUALLY ACCEPTABLE AND SIGNED CONSTRUCTION CONTRACT.

PURCHASER:

City of Fontana

SELLER:

USA SHADE & Fabric Structures

Signature:

Signature:

Patti Abrecht

By: (Print)

By: Patti Abrecht

Title:

Title: VP Architectural Sales

Date:

Date: 10-07-21

NOTE: All purchase orders and contracts should be drafted in the name of Shade Structures, Inc.

**Solicitation Number: RFP #010521****CONTRACT**

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and PlayPower, Inc., 11515 Vanstory Drive #100, Huntersville, NC 28078 (Vendor).

Sourcewell is a State of Minnesota local government agency and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Playground and Water Play Equipment with Related Accessories and Services from which Vendor was awarded a contract.

Vendor desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires February 17, 2025, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended up to one additional one-year period upon request of Sourcewell and with written agreement by Vendor.
- C. **SURVIVAL OF TERMS.** Articles 11 through 14 survive the expiration or cancellation of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

- A. **EQUIPMENT, PRODUCTS, OR SERVICES.** Vendor will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above. Vendor's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new/current model. Vendor may offer close-out or refurbished Equipment or Products if they are clearly indicated in Vendor's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. **WARRANTY.** Vendor warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Vendor warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Vendor's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that is effective past the expiration of the Vendor's warranty will be passed on to the Participating Entity.

C. **DEALERS, DISTRIBUTORS, AND/OR RESELLERS.** Upon Contract execution, Vendor will make available to Sourcewell a means to validate or authenticate Vendor's authorized dealers, distributors, and/or resellers relative to the Equipment, Products, and Services related to this Contract. This list may be updated from time-to-time and is incorporated into this Contract by reference. It is the Vendor's responsibility to ensure Sourcewell receives the most current version of this list.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced as stated in Vendor's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. **SHIPPING AND SHIPPING COSTS.** All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Vendor must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable

time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery.

Vendor must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcwell may declare the Vendor in breach of this Contract if the Vendor intentionally delivers substandard or inferior Equipment or Products. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Vendor as soon as possible and the Vendor will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

B. SALES TAX. Each Participating Entity is responsible for supplying the Vendor with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Vendor may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Vendor determines it will offer Hot List Pricing, it must be submitted electronically to Sourcwell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcwell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Vendor may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcwell Price and Product Change Request Form to the assigned Sourcwell Contract Administrator. This form is available from the assigned Sourcwell Contract Administrator. At a minimum, the request must:

- Identify the applicable Sourcwell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing

restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Request Form will become an amendment to this Contract and be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Vendor understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Vendor is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Vendor's employees may be required to perform work at government-owned facilities, including schools. Vendor's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Vendor that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Vendor. Typically, a Participating Entity will issue an order directly to Vendor. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration of this Contract; however, Vendor performance, Participating Entity payment, and any applicable warranty periods or other Vendor or Participating Entity obligations may extend beyond the term of this Contract.

Vendor's acceptable forms of payment are included in Attachment A. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. **ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM.** Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Vendor, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be worked out directly between the Participating Entity and the Vendor. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. **SPECIALIZED SERVICE REQUIREMENTS.** In the event that the Participating Entity requires service or specialized performance requirements (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements) not addressed in this Contract, the Participating Entity and the Vendor may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. **TERMINATION OF ORDERS.** Participating Entities may terminate an order, in whole or in part, immediately upon notice to Vendor in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the goods to be purchased;
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements; or
3. Vendor commits any material breach of this Contract or the additional terms agreed to between the Vendor and a Participating Entity.

E. **GOVERNING LAW AND VENUE.** The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

A. **PRIMARY ACCOUNT REPRESENTATIVE.** Vendor will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Vendor must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Vendor must provide a contract sales activity report (Report) to the Sourcewell Contract Administrator assigned to this Contract. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Vendor must submit a report indicating no sales were made).

The Report must contain the following fields:

- Customer Name (e.g., City of Staples Highway Department);
- Customer Physical Street Address;
- Customer City;
- Customer State/Province;
- Customer Zip Code;
- Customer Contact Name;
- Customer Contact Email Address;
- Customer Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Vendor.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Vendor will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Vendor may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Vendor will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Vendor's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Vendor agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Vendor is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Vendor in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Vendor's Authorized Representative is the person named in the Vendor's Proposal. If Vendor's Authorized Representative changes at any time during this Contract, Vendor must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. **AUDIT.** Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. **ASSIGNMENT.** Neither the Vendor nor Sourcewell may assign or transfer any rights or obligations under this Contract without the prior consent of the parties and a fully executed assignment agreement. Such consent will not be unreasonably withheld.

C. **AMENDMENTS.** Any amendment to this Contract must be in writing and will not be effective until it has been fully executed by the parties.

D. **WAIVER.** If either party fails to enforce any provision of this Contract, that failure does not waive the provision or the right to enforce it.

E. **CONTRACT COMPLETE.** This Contract contains all negotiations and agreements between Sourcewell and Vendor. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22, the terms of Articles 1-22 will govern.

F. **RELATIONSHIP OF THE PARTIES.** The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their

respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. LIABILITY

Vendor must indemnify, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees, arising out of the performance of this Contract by the Vendor or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications.

12. GOVERNMENT DATA PRACTICES

Vendor and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Vendor under this Contract.

If the Vendor receives a request to release the data referred to in this article, the Vendor must immediately notify Sourcewell and Sourcewell will assist with how the Vendor should respond to the request.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:
 - a. Sourcewell grants to Vendor a royalty-free, worldwide, non-exclusive right and license to use the Trademark(s) provided to Vendor by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Vendor.
 - b. Vendor grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Vendor's Trademarks in advertising and promotional materials for the purpose of marketing Vendor's relationship with Sourcewell.
2. *Limited Right of Sublicense.* The right and license granted herein includes a limited right of each party to grant sublicenses to its and their respective distributors, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.
3. *Use; Quality Control.*

- a. Sourcewell must not alter Vendor's Trademarks from the form provided by Vendor and must comply with Vendor's removal requests as to specific uses of its trademarks or logos.
 - b. Vendor must not alter Sourcewell's Trademarks from the form provided by Sourcewell and must comply with Sourcewell's removal requests as to specific uses of its trademarks or logos.
 - c. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's Trademarks only in good faith and in a dignified manner consistent with such party's use of the Trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.
4. As applicable, Vendor agrees to indemnify and hold harmless Sourcewell and its Participating Entities against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Participating Entities by any person on account of the use of any Equipment or Products by Sourcewell or its Participating Entities supplied by Vendor in violation of applicable patent or copyright laws.
5. *Termination.* Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of vendors which may be used until the next printing). Vendor must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. **PUBLICITY.** Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Vendor individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. **MARKETING.** Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Materials should be sent to the Sourcewell Contract Administrator assigned to this Contract.

D. **ENDORSEMENT.** The Vendor must not claim that Sourcewell endorses its Equipment, Products, or Services.

14. GOVERNING LAW, JURISDICTION, AND VENUE

Minnesota law governs this Contract. Venue for all legal proceedings out of this Contract, or its breach, must be in the appropriate state court in Todd County or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found to be illegal, unenforceable, or void then both Sourcewell and Vendor will be relieved of all obligations arising under such provisions. If the remainder of this Contract is capable of performance, it will not be affected by such declaration or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. **PERFORMANCE.** During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Vendor will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Vendor may escalate the resolution of the issue to a higher level of management. The Vendor will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending.* Notwithstanding the existence of a dispute, the Vendor must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Vendor fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed will be borne by the Vendor.

B. **DEFAULT AND REMEDIES.** Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

Written notice of default and a reasonable opportunity to cure must be issued by the party claiming default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Vendor must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*

Workers' Compensation: As required by any applicable law or regulation.

Employer's Liability Insurance: must be provided in amounts not less than listed below:

Minimum limits:

\$500,000 each accident for bodily injury by accident

\$500,000 policy limit for bodily injury by disease

\$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Vendor will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.

Minimum Limits:

\$1,000,000 each occurrence Bodily Injury and Property Damage

\$1,000,000 Personal and Advertising Injury

\$2,000,000 aggregate for Products-Completed operations

\$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Vendor will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:

\$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Vendor will maintain umbrella coverage over Workers' Compensation, Commercial General Liability, and Commercial Automobile.

Minimum Limits:

\$2,000,000

5. *Professional/Technical, Errors and Omissions, and/or Miscellaneous Professional Liability*. During the term of this Contract, Vendor will maintain coverage for all claims the Vendor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Vendor's professional services required under this Contract.

Minimum Limits:

\$2,000,000 per claim or event

\$2,000,000 – annual aggregate

Failure of Vendor to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Vendor must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Contract Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Vendor to provide certificates of insurance, in no way limits or relieves Vendor of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Vendor agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Vendor's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Vendor, and products and completed operations of Vendor. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Vendor waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Vendor or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance

maintained by the Vendor or its subcontractors. Where permitted by law, Vendor must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Vendor must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Vendor conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Vendor certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Vendor declares bankruptcy, Vendor must immediately notify Sourcewell in writing.

Vendor certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Vendor further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may also require additional requirements based on specific funding specifications. Within this Article, all references to "federal" should be interpreted to mean the United States federal government.

The following list only applies when a Participating Entity accesses Vendor's Equipment, Products, or Services with United States federal funds.

A. **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Vendor must be in compliance with all applicable Davis-Bacon Act provisions.

C. **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708).** Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40

hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Vendor certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Vendor certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Vendor certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Vendor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Vendors must file any required certifications. Vendors must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any

agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Vendors must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Vendors must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Vendor must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Vendor further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Vendor must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Vendor must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

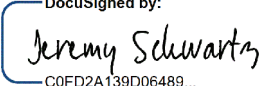
K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Vendor agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Vendor that are directly pertinent to Vendor's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Vendor's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

22. CANCELLATION


Sourcewell or Vendor may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Vendor's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell


DocuSigned by:

C0FD2A139D06489...
By: _____
Jeremy Schwartz
Title: Director of Operations &
Procurement/CPO

2/15/2021 | 10:36 PM CST
Date: _____

Approved:

DocuSigned by:

7E42B8F817A64CC...
By: _____
Chad Coauette
Title: Executive Director/CEO
2/15/2021 | 10:46 PM CST
Date: _____

PlayPower, Inc.

DocuSigned by:

B286C633F68749C...
By: _____
W. Todd Brinker
Title: Senior Vice President Global Sales &
Marketing Outdoor Play

2/15/2021 | 2:23 PM CST
Date: _____

RFP 010521 - Playground and Water Play Equipment with Related Accessories and Services

Vendor Details

Company Name: PlayPower
Address: 11515 Vanstory Drive
Suite 100
Huntersville, NC 28078
Contact: Christine Stepp
Email: christine.stepp@playpower.com
Phone: 570-259-5466
HST#: 431681424

Submission Details

Created On: Tuesday November 17, 2020 12:27:42
Submitted On: Tuesday January 05, 2021 16:13:14
Submitted By: Christine Stepp
Email: christine.stepp@playpower.com
Transaction #: 21ef8062-9c3f-45fb-8ccb-e615e3baf910
Submitter's IP Address: 149.20.204.131

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Please do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; mark "NA" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (and applicable d/b/a, if any):	PlayPower, Inc.	*
2	Proposer Address:	11515 Vanstory Drive #100, Huntersville, NC 28078	*
3	Proposer website address:	www.PlayPower.com	*
4	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	W. Todd Brinker Senior Vice President, Global Sales & Marketing Outdoor Play 11515 Vanstory Drive, Suite 100 Huntersville, NC 28078 704-576-7928	*
5	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Christine Stepp Sales, Marketing and Contract Administrator 1000 Buffalo Road, Lewisburg, PA 17837 570-522-5441	*
6	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Bill Wilhite – EZ Dock Phone: 417 -737-2110 Email: Bill.Wilhite@playpower.com Brett Kidd - Little Tikes Commercial Phone: 678-432-0077 Cell: 573-701-2236 Email: Brett.Kidd@playpower.com Mike Sutton – Miracle Recreation Phone: 724-458-4986 Cell: 715-922-8707 Email: Mike.Sutton@playpower.com Jennifer Smith Phone: 225-907-4749 Cell: 225-424-8843 Email: Jennifer@nofault.com David Sheedy – Playworld Phone: 573-366-6337 Email: David.Sheedy@playpower.com Christine Stepp – PlayPower Phone: 527-259-5466 Email: Christine.Stepp@playpower.com Brock Hodge - Soft Play Phone: 704-948-3430 Mobile: 704-904-4067 Email: Brock.Hodge@playpower.com Kevin Spence – USA Shade Phone: 214-269-4112 Mobile: 214-587-9397 Email: kevin.spence@USA-Shade.com Dan Sullivan – Wabash Valley Phone: 813-760-0382 Email: daniel.sullivan@playpower.com	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *
7	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	<p>PlayPower, Inc. is the WORLD'S LARGEST, fully integrated manufacturer of commercial playground equipment, park & site amenities, fabric shade structures, floating dock systems, lifts for boats and personal water craft, innovative surfacing products and indoor contained play structures. PlayPower is headquartered in Huntersville NC, with marketing, sales and manufacturing facilities in Baton Rouge, LA, Englewood, CO, Monett MO, Dallas TX, Lewisburg PA, Huntersville NC, United Kingdom, Poland and Scotland. PlayPower's VISION is to be the leader in creating legendary play and recreation experiences around the world. PlayPower's MISSION is to design and manufacture fun and safe play and recreation equipment for all ages and abilities. We will be recognized as the leader for inspiring and creating innovative products and providing superior customer service. We will leverage our brands globally to the benefit of those who use our products and to our customers, employees, and shareholders. PlayPower VALUES honesty and integrity, respect and caring for others, openness and collaboration, individual and team accountability, passion and purpose. PlayPower began in 1927 with Miracle Recreation and is now comprised of multiple companies (brands) focused on playgrounds, commercial recreation and leisure. PlayPower's impressive portfolio of companies include:</p> <ul style="list-style-type: none"> o Miracle Recreation Equipment Company o Little Tikes Commercial o Playworld o Wabash Valley o EZ Dock o USA Shade & Fabric Structures o Soft Play o Playtime o No Fault o Tayplay o HAGS (international only) <p>PlayPower's companies are leaders in the markets in which they serve and in combination, have HUNDREDS of years of experience bringing play and recreation to life.</p>
8	What are your company's expectations in the event of an award?	<ul style="list-style-type: none"> • We will launch our contract heavily by targeting Sourcewell members with all of our North American brands: Little Tikes Commercial, Miracle Recreation, Playworld, EZ Dock, Soft Play, USA Shade, Wabash Valley and No Fault • We will continue to lead Sourcewell as our North American and Canadian cooperative contract solution, marketing through our corporate websites, dealer/rep websites, catalogs, brochures, mailings, social media, and trade shows • Our expectation, with having multiple brands in our portfolio, and as a turnkey solution, PlayPower's Sourcewell contract sales would exceed \$100M over the term of the contract.
9	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Please refer to the PlayPower Holdings Inc. and Subsidiaries 2019 Final pdf attached to this response.
10	What is your US market share for the solutions that you are proposing?	According to the Q2 2020 IPEMA Report (latest report), PlayPower's Outdoor Playground equipment market share is approximately 33.0% in the United States.
11	What is your Canadian market share for the solutions that you are proposing?	According to the Q2 2020 IPEMA Report (latest report), PlayPower's market share is 26.0% in Canada.
12	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No

13	<p>How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization.</p> <p>a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned?</p> <p>b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?</p>	<p>PlayPower, Inc. Is a manufacturer of Recreation and Playground Equipment, Accessories and Supplies. PlayPower Inc., with a few exceptions of direct sales representatives, operates with independent representatives/dealers that cover all areas of North America and Internationally. All representatives, as contractually responsible, sell, deliver and coordinate installation of all products proposed within this RFP. In addition, PlayPower's installers are factory certified to repair and service PlayPower's recreation and playground equipment, accessories, and supplies.</p>	*
14	<p>If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.</p>	<p>PlayPower is licensed to sell in all 50 states, 10 provinces and globally. We are committed to provide Sourcewell and their members a safe, enjoyable, positive environment to play and grow. Our commitment to provide such an environment begins with meeting and/or exceeding safety performance specifications established by organizations and regulatory bodies such as ASTM International, CPSC, CSA and EN. We not only comply with these standards and guidelines, we also actively participate in ASTM and CPSC development, and are active members of IPEMA. Our employees, sales representatives, distributors, dealers and trained installers take great pride in the commitment of safety in every aspect of designing, manufacturing and installing recreation and playground equipment, accessories and supplies. They have the knowledge and experience to provide positive recreation and play environments that offer challenge and maximum play value for children of all ages and abilities.</p> <p>In the interest of safety, IPEMA provides a third-party Certification Service whereby a designated independent laboratory validates a participant's certification of conformance to ASTM F1487 & ASTM F2373, Standard Consumer Safety Performance Specification for Playground Equipment for Public Use. The use of the corresponding logos in all of PlayPower's outdoor brand catalogs signifies PlayPower has received written validation from the independent laboratory that the product(s) associated with the use of the logo conforms with the requirements of the indicated standard. Please refer to IPEMA's web site to confirm product certification.</p>	*
15	<p>Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.</p>	<p>None</p>	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *																																																				
16	Describe any relevant industry awards or recognition that your company has received in the past five years	<ul style="list-style-type: none">• PlayForm 7 – Playworld – 2016 IDEA Silver Award. Recognized by Architect's newspaper best products of 2016 award• PlayCubes – Playworld – Winner of Architectural Records 2016 Product of the Year• The Chicago Athenaeum: Museum of Architecture and Design awarded Playworld with The Good Design Award for PlayCubes, published in the Good Design Yearbook for 2019-2020.• NRPA Best Booth – Miracle - 2018																																																				
17	What percentage of your sales are to the governmental sector in the past three years	PlayPower percentage of sales to the government sector as as follows: 2020 - 62% 2019 - 66% 2018 - 71%																																																				
18	What percentage of your sales are to the education sector in the past three years	PlayPower percentage of sales to the education sector are as follows: 2020 - 29% 2019 - 25% 2018 - 22%																																																				
19	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	<table><tr><td></td><td>2018</td><td>2019</td><td>2020</td></tr><tr><td>CMAS</td><td>\$429,901.58</td><td>-</td><td>-</td></tr><tr><td>COA</td><td>-</td><td>\$205,565.74</td><td>\$55,895.35</td></tr><tr><td>COSTARS</td><td>\$102,812.68</td><td>\$376,404.54</td><td>\$351,116.88</td></tr><tr><td>DE USAGE</td><td>\$5,690.00</td><td>\$17,322.82</td><td>\$10,690.00</td></tr><tr><td>NJ STATE</td><td>\$295,687.34</td><td>\$442,753.06</td><td>\$239,850.35</td></tr><tr><td>PREP</td><td>-</td><td>\$237,565.00</td><td>\$561,812.00</td></tr><tr><td>SOURCEWEL</td><td>\$38,840,671.82</td><td>\$29,092,389.51</td><td>\$26,043,818.71</td></tr><tr><td>HGAC</td><td>\$1,192,953</td><td>\$236,858</td><td>\$87,436</td></tr><tr><td>NASPO</td><td>\$2,256,692</td><td>\$946,192</td><td></td></tr><tr><td>\$288,288</td><td></td><td></td><td></td></tr><tr><td>KPN</td><td>\$212,068</td><td>\$15,496</td><td></td></tr><tr><td>\$2,703</td><td></td><td></td><td></td></tr></table>		2018	2019	2020	CMAS	\$429,901.58	-	-	COA	-	\$205,565.74	\$55,895.35	COSTARS	\$102,812.68	\$376,404.54	\$351,116.88	DE USAGE	\$5,690.00	\$17,322.82	\$10,690.00	NJ STATE	\$295,687.34	\$442,753.06	\$239,850.35	PREP	-	\$237,565.00	\$561,812.00	SOURCEWEL	\$38,840,671.82	\$29,092,389.51	\$26,043,818.71	HGAC	\$1,192,953	\$236,858	\$87,436	NASPO	\$2,256,692	\$946,192		\$288,288				KPN	\$212,068	\$15,496		\$2,703			
	2018	2019	2020																																																			
CMAS	\$429,901.58	-	-																																																			
COA	-	\$205,565.74	\$55,895.35																																																			
COSTARS	\$102,812.68	\$376,404.54	\$351,116.88																																																			
DE USAGE	\$5,690.00	\$17,322.82	\$10,690.00																																																			
NJ STATE	\$295,687.34	\$442,753.06	\$239,850.35																																																			
PREP	-	\$237,565.00	\$561,812.00																																																			
SOURCEWEL	\$38,840,671.82	\$29,092,389.51	\$26,043,818.71																																																			
HGAC	\$1,192,953	\$236,858	\$87,436																																																			
NASPO	\$2,256,692	\$946,192																																																				
\$288,288																																																						
KPN	\$212,068	\$15,496																																																				
\$2,703																																																						
20	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	<table><tr><td></td><td>2019</td><td>2018</td><td>2017</td><td></td><td></td><td></td></tr><tr><td>GS-03F-072GA</td><td></td><td></td><td>Miracle Recreation</td><td>\$14,061</td><td>\$94,426</td><td>\$157,563</td></tr><tr><td>GS-03F-055AA</td><td></td><td></td><td>Little Tikes Commercial</td><td>\$41,812</td><td>\$12,788</td><td>\$74,698</td></tr><tr><td>GS-03F-0071T</td><td></td><td></td><td>Playworld</td><td>\$8,680</td><td>\$78,008</td><td>\$84,356</td></tr><tr><td>GS-03F-0001U</td><td></td><td></td><td>USA Shade</td><td>\$75,248</td><td>\$183,919</td><td></td></tr><tr><td>\$246,227</td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>		2019	2018	2017				GS-03F-072GA			Miracle Recreation	\$14,061	\$94,426	\$157,563	GS-03F-055AA			Little Tikes Commercial	\$41,812	\$12,788	\$74,698	GS-03F-0071T			Playworld	\$8,680	\$78,008	\$84,356	GS-03F-0001U			USA Shade	\$75,248	\$183,919		\$246,227																
	2019	2018	2017																																																			
GS-03F-072GA			Miracle Recreation	\$14,061	\$94,426	\$157,563																																																
GS-03F-055AA			Little Tikes Commercial	\$41,812	\$12,788	\$74,698																																																
GS-03F-0071T			Playworld	\$8,680	\$78,008	\$84,356																																																
GS-03F-0001U			USA Shade	\$75,248	\$183,919																																																	
\$246,227																																																						

Table 4: References/Testimonials

Line Item 21. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *
Saugus Union School District	Lori Rubenstein – Director of Project Maintenance	661-294-5300 (ext. 5154)
Houston County BOE	Bill Dollar – Director of Maintenance	478-447-9301
Northside ISD	Linda Seewald – Coordinator Physical Education and Health	210-397-8630

Table 5: Top Five Government or Education Customers

Line Item 22. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
ABC Unified School District School	Education	California - CA	Surfacing	\$580,000	\$580,000	*
Northside ISD	Education	Texas - TX	Playground Equipment	\$25,000	\$1,200,000	*
Fulton County School District	Education	Georgia - GA	Playground Equipment	\$16,666	\$1,200,000	*
MS/FEMA CDC Grant	Government	Mississippi - MS	Playground Equipment	\$15,833	\$3,800,000	*
NASA	Government	Florida - FL	Indoor Play Equipment	\$2,200,000	#2,300,000	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
23	Sales force.	PlayPower's 700+ professional sales representatives/distributors/dealers are eager to provide service to Sourcewell members. Our large portfolio and sales network provides a significant advantage for Sourcewell members in being able to find almost all of their recreation and playground needs with PlayPower.	*
24	Dealer network or other distribution methods.	The majority of PlayPower's representatives, dealers and distributors are independent agencies, with a few exceptions where territories are covered with direct employees.	*
25	Service force.	All representatives, distributors, dealers and installers are factory trained and certified to either sell and/or service our products. Included is a listing of our comprehensive global list of representatives for each brand.	*
26	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	<p>All inquiries regarding Customer service, warranty and repair of PlayPower recreation and playground equipment and accessories should be coordinated with our independent representative network. In addition, Sourcewell members can contact each PlayPower division directly.</p> <ul style="list-style-type: none"> • Little Tikes - Claims can be submitted via email to lrc_customer_care@playpower.com where they are reviewed by our Technical Support Team. Customers can also call 800- 497-5246 and our Customer Service team will be happy to assist during normal business hours (7:00 to 5:00 CST). After hours or on weekends our 24-hour Customer Service Hotline is available by calling 866-LTC-4FUN (866-582-4386) • Miracle - Technical support line (888) 458-2752 seven days a week, 24 hours a day • Playworld –Technical support line (800) 233-8404 is available 24/7 but all calls will be handled during normal business hours 8:00am to 4:30pm EST. We have info@playworld.com for requests and we also have online chat available 8:00am-4:30pm EST on our website. • Wabash Valley – Technical support line (800) 253-8619 during the business hours of 8:00 to 5:00 EST M-F • USA Shade – Technical support line (800) 966-5005 during the business hours of 8:00 to 5:00 CST M-F • EZ Dock -(800) 654-8168, our Technical Support and Sales Administration Team will assist during normal business hours 7:00 to 5:00 CST M-F. • Soft Play- (800) 782-7529 Ext. 3429, any of our Technical Support or Sales Administration Team will assist during normal business hours 7:00 to 5:00 CST M-F. • No Fault - Main Office 1-800-232-7766 M-F during normal business hours of 8:00am-5:00pm 	*
27	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	All products and services proposed by PlayPower in this RFP are available to Sourcewell members in all 50 US states.	*
28	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	All products and services proposed by PlayPower in this RFP are available to Sourcewell members in the 10 provinces of Canada.	*
29	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	PlayPower covers ALL geographic areas of the United States and Canada.	*
30	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	PlayPower serves all participating entity sectors and does not have any limitations to do so.	*
31	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	There are not any contract restrictions that would apply to members in Hawaii, Alaska and in the US territories.	*

Table 7: Marketing Plan

Line Item	Question	Response *
32	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	<p>General Marketing Program Strategy: The marketing plan objective is to increase the sales closure rate of SOURCEWELL projects by providing high-quality leads and effective sales tools to our sales representatives. We will promote the program nationally, including a multi-program approach that overlays with our current marketing strategy and plans. Details of those programs are as follows:</p> <p>Catalogs/Brochures</p> <ul style="list-style-type: none"> • SOURCEWELL Brochures • We have created brochures (one per brand) detailing the benefits of our SOURCEWELL contract that is utilized during sales presentations and trade shows. • Full Line Catalogs • Our full line product catalog is produced and distributed annually and is available in January. • We include information regarding the SOURCEWELL program within the catalogs. <p>Websites:</p> <ul style="list-style-type: none"> • Features SOURCEWELL in our partner and funding pages on each of our brand websites • https://www.miracle-recreation.com/planning/our-partners/sourcewell/ • https://littletikescommercial.com/sourcewell/ • https://playworld.com/sourcewell • https://www.softplay.com/capabilities/njpa/ • https://www.ez-dock.com/resources/njpa/ <p>Email/PR:</p> <ul style="list-style-type: none"> • Email Campaigns <ul style="list-style-type: none"> • SOURCEWELL will be featured in email campaigns to those individuals that have opted-in to that brand e-communications. <p>Social:</p> <ul style="list-style-type: none"> • Social Media Campaigns <ul style="list-style-type: none"> • Posts on various social platforms, including Facebook and LinkedIn, per brand <p>Trade Shows</p> <ul style="list-style-type: none"> • We have a trade show plan in place and shall include representation of the program at each trade show including product brochures. • The 3 outdoor play brands have large booths at the annual NRPA & ASLA tradeshow. <p>Sales Tools/Training</p> <ul style="list-style-type: none"> • PowerPoint sales presentation was created to discuss selling features and benefits of our Sourcewell contract for PlayPower's representatives. • Regular email newsletter to PlayPower sales representatives from sales VPs, promoting the Sourcewell contract and our sales tools for promoting our Sourcewell contract. • Sales representative communication portal provides training/sales tools/resources for our sales representatives to help promote our Sourcewell contract, programs and services. <p>Examples of our marketing materials as they relate to SOURCEWELL are included separately in the PowerPoint which has been included with this RFP submittal.</p>
33	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	<p>Our current marketing strategy includes programs to promote our Sourcewell contract, products and services through multiple digital media channels including:</p> <ul style="list-style-type: none"> • Brand websites, on partner and funding pages • Email marketing campaigns • Social media, including Facebook and LinkedIn
34	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	<p>We would expect Sourcewell to market this partnership on Sourcewell's website, at trade shows, in publications and directly to its members. We would expect on rare occasions, a representative of Sourcewell to potentially help with customer calls & visits when needed, and also to attend our annual sales meetings for our outdoor equipment brands. In understanding of this, PlayPower Inc. understands that the success of this program is most contingent upon our marketing of this partnership in the marketplace through publication, trade shows, our websites and direct-to-customer marketing through our vast network of representatives.</p> <p>PlayPower takes great pride in its brands and looks forward to continuing to work with Sourcewell and marketing a partnership that includes sales training for all of our rep partners/distributors/dealers, catalogs and digital marketing. Our commitment and message to Sourcewell and its members will always remain clear and constant: we are 100% committed to Sourcewell from our executive level through our rep network.</p>
35	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	<p>Products and services are not available through an e-procurement ordering process. Playgrounds and recreation related products are often very custom driven project by project. Because of this, an e-procurement solution is not feasible with PlayPower's offering of products and services.</p>

Table 8: Value-Added Attributes

Line Item	Question	Response *
36	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	PlayPower is committed to providing safe, reliable products. There is not a need to train Sourcewell members since all of our representatives, dealers, distributors and installers go through extensive product training. Sourcewell members have been invited to visit our factories, however formal training is not required.
37	Describe any technological advances that your proposed products or services offer.	<p>Pride in Engineering and Design:</p> <p>Whatever Sourcewell members' level of recreation and/or playground expertise is, PlayPower will provide as much help as needed. Members can virtually design their own playground equipment, or our network of design consultants will assist every step of the way. Our advanced computer-assisted design (CAD) capabilities provide customers with the most versatile, accurate commercial playground equipment design service available. Our designers use advanced solid modeling (3D) design software to develop new and exciting products. Direct electronic access to accurate, up-to-date product information is available to all PlayPower personnel, which includes PlayPower sales representatives, who can do on-the-spot CAD designs for customers. The design(s) then transmits to our internal system for production. Our consultants have access to all product documentation at all times and can produce instant two-dimensional top views or hidden-line three-dimensional proposal drawings of any custom design. They can also send information to PlayPower for rapid production of high-resolution color views of the design in a variety of sizes.</p> <p>Quality Products, Manufacturing, and Installation:</p> <p>PlayPower's commercial playground equipment, play structures, dock systems etc. are manufactured utilizing proven processes that have been honed over our over combined 200+ years in business. Our state-of-the-art manufacturing processes include, but are not limited to:</p> <ul style="list-style-type: none"> • Powder-coating paint system • Computer Numeric Controlled pipe/tube bending and plasma cutting for precise and fun designs • Rotational molding machines, including the largest in the industry-- which provide the capacity for more innovative and fun products • Compounded Resin – First in the industry to make/mix our own compounded resins. This is virtually a 99.9999% recycled process with minimal waste. • Laser Tube Cutting – The first manufacturer in the industry to offer this precision method of cutting and creating intricate designs • MIG/TIG weld stations • Robotic welding • Fiberglass fabrication • Custom manufacturing – one of only a few playground manufacturers in the world to offer this • In-house CAD design team to help create your dream playground • All PlayPower representatives and installers are factory trained and certified • PlayPower has a custom design group and custom design facility enabling us to meet every need of Sourcewell members • PlayPower has the engineering, design and manufacturing capability to custom build a greater breadth of equipment than any other source, i.e. outdoor (steel & wood), contained play, early childhood themed, etc. <p>Materials and Innovation:</p> <p>PlayPower creates state-of-the-art recreation, playground equipment, outdoor fitness, dock systems, contained play systems, shade, benches, tables, etc. utilizing the best in materials and processes. Just a few of our state-of-the-art innovations and features are:</p> <ul style="list-style-type: none"> • Versalok® II clamping system makes installation of components a snap. The clamp is made from up to 100% recycled aluminum alloy, and all fastening hardware is stainless steel and tamper-resistant. • GatorGrip® - Miracle's handrails and rungs feature GatorGrip, with a texture that is friendly and reassuring to small hands. • Flo-Coat® - Our state-of-the-art Flo-Coat® steel tubing was developed specifically for children's playground equipment, and is zinc galvanized coated inside and out for superior resistance to abrasions, scratches, salt, and the elements. • Mira-Cote® - All metal components are finished with Mira-Cote- a durable, electrostatically applied, non-toxic, lead-free, polyester powder coating that's available in almost 30 colors. • Mira-Therm® - All decks, steps, ramps, and bridges, as well as a variety of complementary items, are coated with Mira-Therm®, our proprietary brand of polyvinyl chloride (PVC) containing UV stabilizers, color pigments, and flame retardants. Mira-Therm® coated punched steel with folded edges provides quick drainage, with holes too small for fingers. • Naturtek - Our exclusive material is the most realistic natural imitation in the marketplace. It not only looks real, but feels real. That's because we've been able to replicate the actual

look and feel of real rocks, trees and stumps. This product is unlike any other.

- Gelefish - We've transformed the playground by fusing trend-setting designs with traditional play events that kids love. Gelefish offers a customizable design with countless possibilities of play component configurations delivering more fun-per-foot.
- EZ Dock Flotation Chambers - Simply put, our patented flotation design creates stability. When you walk on an EZ Dock, you will immediately notice the difference when compared to other floating docks. Our docks don't just float, they actually enhance steadiness thanks to the compression and suction of the hollow chambers on the underside.
- EZ Dock Connection Couplers - EZ Dock's patented connection couplers allow sections to move independently under high-stress conditions, while still providing unified firmness. Plus, our polyethylene construction provides outstanding modularity, buoyancy, functionality and safety.
- NEOS outdoor electronic playgrounds were the first of its kind introduced in the marketplace. Our fun electronic games inspire kids of all ages to go out and play.
- PlayArmor™ is the first antimicrobial coating specifically introduced in the recreation industry that protects playground equipment and site amenities. It was created by biochemists and has been registered for use by the US Environmental Protection Agency (EPA). We are currently working and expect to have EPA approval on having PlayArmor approved in each of the 50 US states and similar approvals in all provinces in Canada.

Product Testing & Conformance:

PlayPower has developed and maintained one the most strenuous product testing programs in the industry. Product safety starts before the concept phase of the development process. Our staff plays a very active role in the development and maintenance of safety and performance guidelines and standards, not only here in the U.S., but also internationally. Injury trends and market changes are tracked and we proactively implement this knowledge to our current and future products. During the design phase of development, we use sophisticated software to check and validate designs prior to prototyping. We test for safety conditions, such as entrapment or protrusions, as well as structural performance using finite element analysis. Once a concept is approved, a prototype product is developed and all testing is repeated using the physical model. The most severe testing requirements gleaned from standards worldwide are applied to prototypes. Components are subjected to loading requirement of various standards and the product is re-analyzed after the test to make sure any permanent deformation does not affect product safety. These loading requirements have large factors of safety built in, which cover situations of misuse and abuse. In addition to the normal static loading requirements that define structural performance in playground standards like ASTM F1487, PlayPower takes testing to a higher level. All moving and selected stationary products are subjected to dynamic testing which simulates usage over the life of the product. Components are loaded with the weight of the maximum user and cycled through their normal motion range for at least one million cycles. This process identifies material stresses or component wear that are missed in static load testing. We do not stop testing when a product is introduced to the market. We maintain a company policy that no test may exceed a 5-year span, which equates to retesting more than 20% of our released product annually. We also participate in the IPEMA (International Play Equipment Manufacturers Association) Equipment Certification Program which is a 3rd party validation process of our ASTM required testing. All playground products can be found on the IPEMA certification program website and a certificate of compliance can be generated and printed. PlayPower also conducts ongoing testing of our materials via UV and salt spray testing. Daily tests are conducted of production systems including paint/coatings cure and adhesion testing, impact testing, and color verification and cure testing on plastic components.

- PlayPower has the most diversified line of products & services in the industry with well over 300 combined years of business experience.
- PlayPower is the world's largest fully integrated manufacturer of commercial playground equipment and recreation equipment accessories and supplies.

38	Describe any “green” initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	<p>Environmentally friendly playgrounds aren't a passing fad, they're here for good. Playing is serious business, especially when you consider that playtime helps promote creativity, problem-solving, ability and intellectual development. That's precisely why we pay extra-special attention to our playgrounds and site furnishings. Simple design changes go a long way towards improving how children play, learn and interact with nature. PlayPower creates playgrounds that are fantastic for your budget, Mother Nature, and most importantly, the kids. We recycle unused powder coat paint in certain colors, after it is properly reclaimed during the painting process. Imagine piles of crumpled steel and truckloads of aluminum cans transformed into state-of-the-art playground equipment. That's essentially what happens when PlayPower puts recycling to work. We produce our playground equipment using as much recycled and recyclable material as we can use, while still maintaining the safety, durability and structural integrity you have come to expect from PlayPower. PlayPower's steel posts, handrails, and guardrails are sturdy, durable, and economical, and are made from at least 50% recycled steel. Post clamps and caps are made from as much as 100% post-consumer aluminum. And our roto-molded plastic slides are made from 100% recyclable resins. Simply put, nearly all of PlayPower's playground equipment is produced from at least 50% recyclable materials.</p> <ul style="list-style-type: none">• PlayPower meets ISO 9001, ISO 14001 Standards• Other environmental initiatives:<ul style="list-style-type: none">• All packing and shipping materials are 100% recyclable.• Recycling 95%+ of our waste.• Many of our raw materials contain 25% to 100% recycled content.• Reduced energy usage through conservation and lean manufacturing implementation.• Audits material content and operations for safety and environmental concerns	*																																							
39	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	PlayPower meets ISO 9001, ISO 14001 Standards	*																																							
40	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	<p>While the majority of our representative agencies are classified as Small Businesses, we have created a list, below, to showcase our WMBE and VOSB agencies:</p> <table><tr><td>Happy Playgrounds</td><td>WBE</td><td>AR, OK</td></tr><tr><td>Imagine Nation</td><td>WBE</td><td>IL</td></tr><tr><td>Jefcoat Recreation</td><td>WBE</td><td>MS</td></tr><tr><td>Metro Recreation</td><td>VOSB</td><td>MD, WV</td></tr><tr><td>Miracle of KY & TN</td><td>WBE</td><td>KY, TN</td></tr><tr><td>Playworx</td><td>VOSB</td><td>FL, GA</td></tr><tr><td>Recreation Plus</td><td>DBE, SBE, WMBE</td><td>CO, WY</td></tr><tr><td>Site Specifics</td><td>WBE</td><td>MA</td></tr><tr><td>Hahn Enterprises</td><td>WMBE</td><td>LA, AR</td></tr><tr><td>MTS Recreation</td><td>WBE</td><td>VA</td></tr><tr><td>Pelican Playground</td><td>WMBE</td><td>LA, MS</td></tr><tr><td>Hasley Recreation</td><td>WBE</td><td>AI, GA</td></tr><tr><td>Miller Recreation</td><td>VOSB</td><td>C. FL</td></tr></table>	Happy Playgrounds	WBE	AR, OK	Imagine Nation	WBE	IL	Jefcoat Recreation	WBE	MS	Metro Recreation	VOSB	MD, WV	Miracle of KY & TN	WBE	KY, TN	Playworx	VOSB	FL, GA	Recreation Plus	DBE, SBE, WMBE	CO, WY	Site Specifics	WBE	MA	Hahn Enterprises	WMBE	LA, AR	MTS Recreation	WBE	VA	Pelican Playground	WMBE	LA, MS	Hasley Recreation	WBE	AI, GA	Miller Recreation	VOSB	C. FL	*
Happy Playgrounds	WBE	AR, OK																																								
Imagine Nation	WBE	IL																																								
Jefcoat Recreation	WBE	MS																																								
Metro Recreation	VOSB	MD, WV																																								
Miracle of KY & TN	WBE	KY, TN																																								
Playworx	VOSB	FL, GA																																								
Recreation Plus	DBE, SBE, WMBE	CO, WY																																								
Site Specifics	WBE	MA																																								
Hahn Enterprises	WMBE	LA, AR																																								
MTS Recreation	WBE	VA																																								
Pelican Playground	WMBE	LA, MS																																								
Hasley Recreation	WBE	AI, GA																																								
Miller Recreation	VOSB	C. FL																																								

41	<p>What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?</p>	<ul style="list-style-type: none"> • PlayPower has a large, 700+ group of professional sales representatives/distributors/dealers to provide service to Sourcewell members. No one else in the industry even comes close to this! This provides a significant advantage for Sourcewell members in being able to find all of their recreation and playground equipment needs in one place with PlayPower. <ul style="list-style-type: none"> • PlayCreator - Proprietary Software with Safety & ADA Accessibility in mind • PlayCreator, our proprietary playground design, rules-based software systems only allow ADA compliancy design. Our commitment is to provide accessible playground equipment in order to promote a positive play environment for children of all abilities. We believe play must be inclusive, and by removing barriers for all children, we provide play and learning opportunities which we are excited and proud of. Providing accessibility to the play space entails more than just complying with minimum accessibility requirements, standards and laws. It means providing a place where children of all abilities can experience play together. PlayPower's play equipment allows customers to configure play areas that are compliant with the Americans with Disabilities Act (ADA) Accessibility Guidelines for Play Areas. • Design for Safety <ul style="list-style-type: none"> • Nothing is more important than providing a safe, positive environment for children to play. Our commitment to providing such an environment begins with meeting and/or exceeding safety performance specifications established by organizations and regulatory bodies such as ASTM International, CPSC, CSA and EN. We not only comply with these standards and guidelines we also actively participate with ASTM and CPSC in their development, and we are active members of IPEMA. Our employees, sales representatives, and trained installers take great pride in this commitment to safety in every aspect of designing, manufacturing and installing playground equipment, and they have the knowledge and experience to provide positive play environments that offer challenge and maximum play value for children of all ages and abilities. In the interest of playground safety, IPEMA provides a third-party Certification Service whereby a designated independent laboratory validates a participant's certification of conformance to ASTM F1487, Standard Consumer Safety Performance Specification for Playground Equipment for Public Use. The use of the corresponding logo in our catalogs signifies that we have received written validation from the independent laboratory that product(s) conform to the requirements of the indicated standard. SOURCEWELL members can also check the IPEMA web site to confirm product certification. • Financing <ul style="list-style-type: none"> • Financing - PlayPower has a business relationship and partnership with NCL Government Capital as our financing option for our public & non-profit markets • World's Largest, Fully Integrated Manufacturer • Rotational Molding – not all manufacturers do this in-house • Soft Goods Assembly • PlayPower is 100% committed to Sourcewell and its members as we have already proven during our previous contract periods • David Sheedy has had proven success in launching, promoting, selling and scaling our Sourcewell contract to its current level of success. David is anxious and excited to do this again with all of our new brands and our entire sales network. • PlayPower is already familiar inside and out with Sourcewell and the needs of Sourcewell members. • We have a proven track record from selling our previous Sourcewell contracts. More importantly, we help sell the benefits of Sourcewell and ALL of its contracts – we have proven that we make Sourcewell stronger and this is to the benefit of Sourcewell, its members and other Sourcewell vendors.
----	---	--

Table 9: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
42	Do your warranties cover all products, parts, and labor?	As a manufacturer of recreation and playground equipment, accessories and supplies, we warranty our materials and workmanship only. All labor, including installation and repairs can be coordinated and quoted on a case by case basis with our Representative/Distributor/ Dealer Network. A complete listing of our Representative/Distributor/ Dealer Network has been provided.	*
43	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	There are no usage limit restrictions with our warranty. Warranty statements for all of our brands have been supplied with this RFP submittal.	*
44	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Industry standards dictate that travel time is not covered under warranty. While there are some exceptions, PlayPower typically adheres to this standard.	*
45	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	All PlayPower brands can provide warranty repairs in all regions of the United States and Canada.	*
46	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	PlayPower does not warranty products and services from other manufacturers. Any products sold from other manufacturers as a turn-key solution carry a warranty provided by the original manufacturer.	*
47	What are your proposed exchange and return programs and policies?	While the product is standard, the design of Recreation and Playground Equipment accessories and supplies is very customized. Due to this, PlayPower requires a 30% restocking fee for returns and exchanges.	*
48	Describe any service contract options for the items included in your proposal.	All of PlayPower's Representatives, Distributors, Dealers and Installers are factory trained and certified to sell and/or service and repair our products. All warranty and service work will be coordinated between the SOURCEWELL member and our representatives.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
49	What are your payment terms (e.g., net 10, net 30)?	Net 30 days upon invoicing	*
50	Describe any leasing or financing options available for use by educational or governmental entities.	PlayPower has partnered with NCL Government Capital to offer Sourcewell members a complete suite of finance solutions. NCL is a current Sourcewell financing contract holder and is an industry expert in municipal financing solutions. NCL will offer leasing terms from 12-120 months on transactions from \$5,000.00 and up. Traditional leasing and financing programs will be offered along with programs specifically designed for schools and governmental entities including Tax-Exempt Municipal Leases and a Purchase Order Only program. There is no ownership, common ownership, or control between PlayPower and NCL.	*
51	Briefly describe your proposed order process. Include enough detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the Sourcewell participating entities' purchase orders.	PlayPower often will invoice Sourcewell members directly which makes gathering of sales data very straightforward. Reps/dealers when billing directly are required to provide copies of purchase orders from members which will include PlayPower's Sourcewell contract number and the Sourcewell Member number. The proposed process will follow our current Sourcewell process that requires orders to be coded as an Sourcewell order at the time of submission.	*
52	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	No. The benefits of P-card procurement is most beneficial for smaller transactions. PlayPower's average playground sold exceeds \$35,000 so the real benefits of P-card would not be recognized.	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *	
53	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	Due to the size and scope of our product offering along with eight separate brands (companies) offered in this proposal and the discount structures varying by brand, a separate pricing discount file has been provided with this RFP submittal. Please refer to the uploaded Sourcewell RFP 010521 Pricing-Discount File.	*
54	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	As stated previously, due to the size and scope of our product offering along with eight separate brands (companies) offered in this proposal and the discount structures varying by brand, a separate pricing discount file has been provided with this RFP submittal. Please refer to (list document name)	*
55	Describe any quantity or volume discounts or rebate programs that you offer.	Volume Rebates (per calendar year): 1. \$500,000 - \$999,999 1% rebate 2. \$1,000,000 - \$1,499,99 2% rebate 3. \$1,500,000+ 3% rebate	*
56	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	This service is coordinated by our independent representative/distributor/dealer networks. In the event PlayPower is doing the billing, we simply do a pass through with no markup on these services. Each service can vary due to location, size and scope of work.	*
57	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	Some projects related to our recreation and playground equipment products, accessories and supplies can be material-only procured or more often, a turn-key solution. In the event of a turnkey solution project, sourced work such as installation, curbing, sidewalks, landscaping, and any other types of non-equipment related work could be involved. This service can be coordinated by our independent representative/distributor/dealer networks. In the event PlayPower is doing the billing, we simply do a pass-through with no markup on these services. Each service can vary due to location, size and scope of work. Installation is specifically addressed in the pricing discount schedule which is provided with this RFP submittal.	*
58	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	Any additional freight cost will be evaluated by PlayPower's shipping department. The best available rate and service will be passed on to Sourcewell members during the quote process.	*
59	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	As is the case in the 48 contiguous United States, freight is the responsibility of the SOURCEWELL member. Additional freight charges will be evaluated by PlayPower's shipping department and the best available rate and service will be passed on to the Sourcewell member during the quote process.	*
60	Describe any unique distribution and/or delivery methods or options offered in your proposal.	Where it makes sense, we use Intermodal freight transport which involves the transportation of freight in an intermodal container or vehicle, using multiple modes of transportation (rail, truck, ship), without any handling of the freight itself when changing modes. The method reduces cargo handling, and so improves security, reduces damage and loss, and allows freight to be transported faster. Reduced costs over road trucking is the key benefit.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
61	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	

Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
62	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell.	<ul style="list-style-type: none"> • PlayPower's order entry system has required point and click requirements as it relates to contracts. When an order is entered, the system literally prompts the user with the question "Is this a Sourcewell project?" and the user is required to answer YES or NO to proceed. The order entry system also checks for minimum discount compliance. • All Sourcewell orders are also reviewed manually for compliance to ensure minimum Sourcewell pricing discounts and are entered with a Sourcewell code to ensure proper reporting and administrative fee. • In addition, management reviews total amount of Sourcewell sales for accuracy and evaluates representatives' performance selling the Sourcewell contract on an annual basis. • Sourcewell sales tracking is included in PlayPower's corporate budgeting process. 	*
63	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	We propose a 1% administrative fee for all PlayPower Equipment sold. This is calculated at LIST PRICES and not discounted net sales. In addition, we propose a 1% administrative fee for all open market/turnkey solution products, work and services billed and provided to SOURCEWELL members directly from PlayPower or through our independent representative/distributor/dealer network.	*

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *	
64	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	<ul style="list-style-type: none"> • Playground Equipment • Shade – freestanding and playground equipment integrated • Surfacing – unitary, loose fill, tile • Docking Systems – boat & PWC lifts, swim platforms • Indoor contained play systems 	*
65	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	<ul style="list-style-type: none"> • Custom Play Equipment • ADA/Inclusive Playground Equipment • Rope Play • Nature Play • Play Sculptures • Musical Play • Early Childhood Play Equipment • Park Benches • Tables • Litter Receptacles • Bollards • Planters • Grills • Adult & Youth Outdoor Fitness Equipment • Sports Equipment • Surfacing – unitary, loose fill, tile • Slides • Sports Courts • Modular Docking Systems • Boat Lifts • PWC Lifts • Kayak & Canoe ADA Accessible Launches • Access Walkways & Floats • Habitat Observation Platforms • Waterway Work Platforms • Mining Platforms • Wetlands Walking Trails • Fishing Piers • Swimming Platforms • Campsite Platforms • Specialty Equipment • ADA Accessible Ramps • Concrete Curbing • Sidewalks • Site Inspections • Equipment Installation & All Corresponding Site Work 	*

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments	
66	Playground equipment, site furnishings, site amenities, and accessories.	<input checked="" type="radio"/> Yes <input type="radio"/> No	Little Tikes, Miracle Recreation and Playworld deliver innovative outdoor playground solutions for all ages and abilities. Wabash Valley offers site amenities that add functional and beautiful accessories to any outdoor space, while USA Shade provides fabric shade structures which is used over playground equipment or independently. Wabash Valley provides solutions for outdoor furniture.	*
67	Water play and aquatic recreational structures and equipment.	<input checked="" type="radio"/> Yes <input type="radio"/> No	EZ Dock is a premium waterfront life solutions provider with easy to configure floating docks, ports, launches walkways and accessories	*
68	Playground surfacing and fall protection, and water play and aquatic recreational surfacing.	<input checked="" type="radio"/> Yes <input type="radio"/> No	No Fault is the premiere supplier of poured-in-place, rubber safety surfaces for playgrounds, splash pads, pool decks, sports fields, walking/jogging tracks and much more.	*
69	Services related to the solutions above.	<input checked="" type="radio"/> Yes <input type="radio"/> No	Our independent rep agencies offer a wide variety of services which include, installation, site prep, removal of old equipment, planning and design services, plus much more. These related services offer a turn-key solution to all Sourcewell customers	*

Table 15: Industry Specific Questions

Line Item	Question	Response *	
70	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	Quarterly reporting will offer a precise measure of our success with the Sourcewell contract	*
71	Describe how your offering addresses the needs of user's safety, well-being, and range or level of accessibility?	Our employees, sales representatives, and trained installers take great pride in our commitment to safety in every aspect of designing, manufacturing and installing playground equipment. In the interest of playground safety, IPEMA provides a third-party Certification Service whereby a designated independent laboratory validates a participant's certification of conformance to ASTM F1487, Standard Consumer Safety Performance Specification for Playground Equipment for Public Use.	*
72	Describe how your offering addresses the user's desire to customize the offering (e.g. themes, etc.).	All of PlayPower's brands have the option for customization. Our playground engineers are able to design and customize to just about any imagination.	*
73	Identify any certification(s) that your business or the products included in your proposal have attained or received.	PlayPower meets ISO 9001, ISO 14001 standards. In addition, we are committed to provide products that meet or exceed safety performance specifications established by ASTM International, CPSC, CSA and EN standards.	*

Table 16: Exceptions to Terms, Conditions, or Specifications Form

Line Item 74. NOTICE: To identify any exception, or to request any modification, to the Sourcewell template Contract terms, conditions, or specifications, a Proposer must submit the exception or requested modification on the **Exceptions to Terms, Conditions, or Specifications Form** immediately below. The contract section, the specific text addressed by the exception or requested modification, and the proposed modification must be identified in detail. Proposer's exceptions and proposed modifications are subject to review and approval of Sourcewell and will not automatically be included in the contract.

Contract Section	Term, Condition, or Specification	Exception or Proposed Modification

Proposer's Affidavit**PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE**

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.
3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.
5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.
6. If awarded a contract, the Proposer will provide to Sourcwell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.
7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.
8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcwell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcwell Members under an awarded Contract.
9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
10. The Proposer understands that Sourcwell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
11. Proposer its employees, agents, and subcontractors are not:
 - a. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;
 - b. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://sam.gov/SAM/>; or
 - c. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated

by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☒ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Christine Stepp, Sales, Marketing and Contract Administrator, PlayPower, Inc.

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

☒ Yes ☐ No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "I have reviewed this addendum" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum 6_Playground_Water_Play_Equipment_RFP_010521 Tue December 22 2020 03:29 PM	<input checked="" type="checkbox"/>	1
Addendum 5_Playground_Water_Play_Equipment_RFP_010521 Fri December 18 2020 04:15 PM	<input checked="" type="checkbox"/>	1
Addendum 4_Playground_Water_Play_Equipment_RFP_010521 Mon December 7 2020 07:55 AM	<input checked="" type="checkbox"/>	1
Addendum 3_Playground_Water_Play_Equipment_RFP_010521 Thu November 19 2020 08:52 AM	<input checked="" type="checkbox"/>	1
Addendum 2_Playground_Water_Play_Equipment_RFP_010521 Fri November 13 2020 09:09 AM	<input checked="" type="checkbox"/>	2
Addendum 1_Playground_Water_Play_Equipment_RFP_010521 Thu November 12 2020 10:53 AM	<input checked="" type="checkbox"/>	2

**South Fontana Park Lighting Project- Four Football Fields
Fontana, CA
To: Mr. Ivan Velazquez
Senior Project Manager - BMLA
June 25, 2021**

Sourcewell

Master Project: 199030, **Contract Number:** 071619-MSL, **Expiration:** 08/27/2023

Category: Sports lighting with related supplies and services

All purchase orders should note the following:

Sourcewell purchase – contract number: 071619-MSL

Sourcewell Pricing includes four 360' x 160' Football Field at CBC 2019 with a project windspeed of 130 MPH (special windzone).

Budget Estimate Price – South Fontana Park- Football Fields 1-4

Musco's Light-Structure System™ with Total Light Control – TLC for LED® technology as described below, and delivered to the job site:

Football Fields 1, 2, 3, 4:	\$717,000.00
------------------------------------	---------------------

Sales tax, bonding, and unloading of the equipment are not included.

Pricing furnished is effective for 120 days unless otherwise noted and is considered confidential.

Equipment Description – Football Fields 1-4, 360' x 160' each

Musco's Light Structure System™ in 5 Easy Pieces™ – complete from foundation to pole-top

- (12) Pre-cast concrete bases- F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
- (12) 70' Galvanized steel poles- F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
- Remote electrical component enclosures
- Pole length wire harnesses
- (80) TLC LED 1200 Factory-aimed and assembled luminaries
- (32) TLC LED 575 Ball Tracker Luminaires
- (8) OSQ Security light fixtures at 30' - Light Poles F2, F3, F4, F5, F7, F8, F11, F12

Control System

- Control-Link® System for remote on/off control and performance monitoring with 24/7 customer support
- East Service (1) 24" x 72", and (1) 24" x 48" Control and Monitoring Cabinet (CMC) mounted in Field Lighting Electrical Enclosure, or other.
- West Service (1) 24" x 72" Control and Monitoring Cabinet (CMC) mounted in Field Lighting Electrical Enclosure, or other.
- Include 120v Control Circuit from 120v Panel for each Musco lighting controller.
- Dimming High/Medium/Low for football included.



Lighting Control Zones- East and West Lighting Control Systems

East Lighting Zones

Football 3
Football 4
East Security
East Walkway
East Parking
Sign Lighting E
Playground

West Lighting Zones

Football 1
Football 2
West Security
West Walkway
West Parking
Sign Lighting W

Operation and Warranty Services

- Reduction of energy and maintenance costs by 50% to 85% over typical 1500W metal halide equipment
- Product assurance and warranty program that covers materials and onsite labor, eliminating 100% of your maintenance costs for 25 years

Payment Terms

As agreed upon with Musco Credit Department

If a cooperative purchase agreement option is required, please see the below Sourcewell information below:

Sourcewell

Master Project: 199030, **Contract Number:** 071619-MSL, **Expiration:** 08/27/2023

Category: Sports lighting with related supplies and services

All purchase orders should note the following:

Sourcewell purchase – contract number: 071619-MSL

Notes

Budget Estimate is based on:

- Shipment of entire project together to one location. Football 1-4, Each field 360' x 160'.
- 480v 3p Phase electrical system requirement.
- **Structural code and wind speed = 130 mph, CBC 2019. Special Wind Zone**
- **Structural Engineering / Pole Calculations stamped by a CA Structural Engineer. See structural calculations stamped by KNA, and sheet C1.**



Budget Estimate

Delivery to the job site for projects can vary from 6-8 weeks. Musco must have the following information in order to schedule production of a project:

1. Approved Submittals
2. Confirmation of order details including voltage/phase and pole locations. **(Due to the built-in custom light control per luminaire, pole locations need to be confirmed prior to production. Changes to pole locations after the product is sent to production could result in additional charges.)**. Please see Musco Lighting Design 203888Cr1 dated June 24, 2021.

Thank you for the opportunity to discuss Musco's innovative lighting solutions; we are determined to provide you with the best value option for your facility. Please contact us if you have any questions.

Mike Higgins
Musco Sports Lighting, LLC
3002 Dow Ave, Suite #504
Tustin, CA 92780
Office: 800-659-0117x6121
Mobile: 714-614-0863





Sourcewell

Customer Information Package



Table of Contents

1. Overview
2. Executed Contract
3. Membership
4. About Sourcewell



1. Overview



Overview – Sourcewell

For 40 years, Sourcewell has helped government, education, and nonprofit agencies operate more efficiently. They help save time and money with contract purchasing solutions that are solicited nationally. Sourcewell is a service cooperative created by the Minnesota legislature as a local unit of government (Minn. Const. art. XII, sec. 3). Sourcewell is governed by local elected municipal officials and school board members. As a public agency, all Sourcewell employees are government employees. All education and government entities, as well as nonpublic schools and nonprofit organizations are eligible for a Sourcewell membership. There is no fee to become a Sourcewell member.

Contract #: 071619-MSL

Expiration Date: 08/27/2023

Sports Lighting with Related Supplies and Services

This contract can be used for materials and/or installation on a per project basis dependent upon Musco's compliance with state and local licensing requirements. Sourcewell membership is free and available to government, education and non-profit agencies.

A landing page has been established on their website, www.sourcewell-mn.gov, with information about Musco. Pricing information can be obtained from your sales representative. Musco's landing page also provides, RFP, Bid Acceptance & Award, as well as documentation of the competitive bidding process.

Sourcewell contact information:

Teresa Fiedler

Mobile: 763-954-1259

Email Teresa.Fiedler@sourcewell-mn.gov

If you have any questions about the Sourcewell program or any of our other active cooperative purchasing contracts, contact your local Sales Representative or Amanda Hudnut at 800-825-6030.



2. Executed Contract





Solicitation Number: #071619

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and, Musco Sports Lighting LLC, 100 1st Ave West PO Box 808, Oskaloosa IA 52577 (Vendor).

Sourcewell is a State of Minnesota local government agency and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to its members. Participation is open to all levels of governmental entity, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada.

Vendor desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and its Members (Members).

1. TERM OF CONTRACT

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires August 27, 2023, unless it is cancelled sooner pursuant to Article 24. This Contract may be extended up to one additional one-year period upon request of Sourcewell and with written agreement by Vendor.
- C. **SURVIVAL OF TERMS.** Articles 11 through 16 survive the expiration or cancellation of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

- A. **EQUIPMENT, PRODUCTS, OR SERVICES.** Vendor will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above. Vendor's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new/current model. Vendor may offer close-out or refurbished Equipment or Products if they are clearly indicated in Vendor's product and pricing list. Unless agreed to by the Member in advance, Equipment or Products must be delivered as operational to the Member's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. **LAWS AND REGULATIONS.** All Equipment, Products, or Services must comply fully with applicable federal laws and regulations, and with the laws of the state or province in which the Equipment, Products, or Services are sold.

C. **WARRANTY.** Vendor warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Vendor warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Vendor's dealers and distributors must agree to assist the Member in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that is effective past the expiration of the Vendor's warranty will be passed on to the Member.

D. **DEALERS AND DISTRIBUTORS.** Upon Contract execution, Vendor will make available to Sourcewell a means to validate or authenticate Vendor's authorized Distributors/Dealers relative to the Equipment, Products, and Services related to this Contract. This list may be updated from time-to-time and is incorporated into this Contract by reference. It is the Vendor's responsibility to ensure Sourcewell receives the most current version of this list.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced as stated in Vendor's Proposal.

Regardless of the payment method chosen by the Member, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Member at the time of purchase.

When providing pricing quotes to Members, all pricing quoted must reflect a Member's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Member's requested delivery location.

A. **SHIPPING AND SHIPPING COSTS.** All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Vendor must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Members. Members reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery.

Vendor must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcwell may declare the Vendor in breach of this Contract if the Vendor intentionally delivers substandard or inferior Equipment or Products. In the event of the delivery of nonconforming Equipment and Products, the Member will notify the Vendor as soon as possible and the Vendor will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Member.

B. SALES TAX. Each Member is responsible for supplying the Vendor with valid tax-exemption certification(s). When ordering, Members must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Vendor may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Vendor determines it will offer Hot List Pricing, it must be submitted electronically to Sourcwell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcwell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Members.

4. PRODUCT AND PRICING CHANGE REQUESTS

Vendor may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcwell Price and Product Change Request Form to the assigned Sourcwell Contract Administrator. This form is available from the assigned Sourcwell Contract Administrator. At a minimum, the request must:

- Identify the applicable Sourcwell contract number
- Clearly specify the requested change
- Provide sufficient detail to justify the requested change
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change)
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcwell Price and Product Request Form will become an amendment to this Contract and be incorporated by reference.

5. MEMBERSHIP, CONTRACT ACCESS, AND MEMBER REQUIREMENTS

A. **MEMBERSHIP.** Membership in Sourcewell is open to public and nonprofit entities across the United States and Canada; such as municipal, state/province, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Members that can legally access the Equipment, Products, or Services under this Contract. A Member's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Vendor understands that a Member's use of this Contract is at the Member's sole convenience and Members reserve the right to obtain like Equipment, Products, or Services from any other source.

Vendor is responsible for familiarizing its sales and service forces with Sourcewell membership requirements and documentation and will encourage potential members to join Sourcewell. Sourcewell reserves the right to add and remove Members to its roster during the term of this Contract.

B. **PUBLIC FACILITIES.** Vendor's employees may be required to perform work at government-owned facilities, including schools. Vendor's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Member policies and procedures, and all applicable laws.

6. MEMBER ORDERING AND PURCHASE ORDERS

A. **PURCHASE ORDERS AND PAYMENT.** To access the contracted Equipment, Products, or Services under this Contract, Member must clearly indicate to Vendor that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Vendor. Typically a Member will issue a purchase order directly to Vendor. Members may use their own forms for purchase orders, but it should clearly note the applicable Sourcewell contract number. Members will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Member.

B. **ADDITIONAL TERMS AND CONDITIONS.** Additional terms and conditions to a purchase order may be negotiated between a Member and Vendor, such as job or industry-specific requirements, legal requirements (such as affirmative action or immigration status requirements), or specific local policy requirements. Any negotiated additional terms and conditions must never be less favorable to the Member than what is contained in Vendor's Proposal.

C. **PERFORMANCE BOND.** If requested by a Member, Vendor will provide a performance bond that meets the requirements set forth in the Member's purchase order.

D. **SPECIALIZED SERVICE REQUIREMENTS.** In the event that the Member requires service or specialized performance requirements (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements) not addressed in this Contract, the Member and the Vendor may enter into a separate, standalone agreement, apart from this Contract. Sourcwell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

E. **TERMINATION OF PURCHASE ORDERS.** Members may terminate a purchase order, in whole or in part, immediately upon notice to Vendor in the event of any of the following events:

1. The Member fails to receive funding or appropriation from its governing body at levels sufficient to pay for the goods to be purchased;
2. Federal or state laws or regulations prohibit the purchase or change the Member's requirements; or
3. Vendor commits any material breach of this Contract or the additional terms agreed to between the Vendor and a Member.

F. **GOVERNING LAW AND VENUE.** The governing law and venue for any action related to a Member's purchase order will be determined by the Member making the purchase.

7. CUSTOMER SERVICE

A. **PRIMARY ACCOUNT REPRESENTATIVE.** Vendor will assign an Account Representative to Sourcwell for this Contract and must provide prompt notice to Sourcwell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcwell and Member inquiries; and
- Business reviews to Sourcwell and Members, if applicable.

B. **BUSINESS REVIEWS.** Vendor must perform a minimum of one business review with Sourcwell per contract year. The business review will cover sales to members, pricing and contract terms, administrative fees, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. **CONTRACT SALES ACTIVITY REPORT.** Each calendar quarter, Vendor must provide a contract sales activity report (Report) to the Sourcwell Contract Administrator assigned to this Contract. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Vendor must submit a report indicating no sales were made).

The Report must contain the following fields:

- Customer Name (e.g., City of Staples Highway Department);
- Customer Physical Street Address;
- Customer City;
- Customer State;
- Customer Zip Code;
- Customer Contact Name;
- Customer Contact Email Address;
- Customer Contact Telephone Number;
- Sourcewell Assigned Entity/Member Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Vendor.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Vendor will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Members. The Vendor will submit a check payable to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Members under this Contract during each calendar quarter. Payments should note the Sourcewell-assigned contract number in the memo and must be mailed to the address above "Attn: Accounts Receivable." Payments must be received no later than forty-five (45) calendar days after the end of each calendar quarter.

Vendor agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Vendor is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Vendor in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than thirty (30) days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Vendor's Authorized Representative is the person named in the Vendor's Proposal. If Vendor's Authorized Representative changes at any time during this Contract, Vendor must promptly notify Sourcewell in writing.

10. ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. **ASSIGNMENT.** Neither the Vendor nor Sourcewell may assign or transfer any rights or obligations under this Contract without the prior consent of the parties and a fully executed assignment agreement. Such consent will not be unreasonably withheld.

B. **AMENDMENTS.** Any amendment to this Contract must be in writing and will not be effective until it has been fully executed by the parties.

C. **WAIVER.** If either party fails to enforce any provision of this Contract, that failure does not waive the provision or the right to enforce it.

D. **CONTRACT COMPLETE.** This Contract contains all negotiations and agreements between Sourcewell and Vendor. No other understanding regarding this Contract, whether written or oral, may be used to bind either party.

E. **RELATIONSHIP OF THE PARTIES.** The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, master-servant, principal-agent, or any other relationship.

11. LIABILITY

Vendor must indemnify, save, and hold Sourcewell and its Members, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees, arising out of the performance of this Contract by the Vendor or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications.

12. AUDITS

Sourcewell reserves the right to review the books, records, documents, and accounting procedures and practices of the Vendor relevant to this Contract for a minimum of six (6) years from the end of this Contract. This clause extends to Members as it relates to business conducted by that Member under this Contract.

13. GOVERNMENT DATA PRACTICES

Vendor and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Vendor under this Contract.

If the Vendor receives a request to release the data referred to in this article, the Vendor must immediately notify Sourcewell and Sourcewell will assist with how the Vendor should respond to the request.

14. INTELLECTUAL PROPERTY

As applicable, Vendor agrees to indemnify and hold harmless Sourcewell and its Members against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Members by any person on account of the use of any Equipment or Products by Sourcewell or its Members supplied by Vendor in violation of applicable patent or copyright laws.

15. PUBLICITY, MARKETING, AND ENDORSEMENT

A. **PUBLICITY.** Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Vendor individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

B. **MARKETING.** Any direct advertising, marketing, or offers with Members must be approved by Sourcewell. Materials should be sent to the Sourcewell Contract Administrator assigned to this Contract.

C. **ENDORSEMENT.** The Vendor must not claim that Sourcewell endorses its Equipment, Products, or Services.

16. GOVERNING LAW, JURISDICTION, AND VENUE

Minnesota law governs this Contract. Venue for all legal proceedings out of this Contract, or its breach, must be in the appropriate state court in Todd County or federal court in Fergus Falls, Minnesota.

17. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

18. SEVERABILITY

If any provision of this Contract is found to be illegal, unenforceable, or void then both Sourcewell and Vendor will be relieved of all obligations arising under such provisions. If the

remainder of this Contract is capable of performance, it will not be affected by such declaration or finding and must be fully performed.

19. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Vendor will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Vendor may escalate the resolution of the issue to a higher level of management. The Vendor will have thirty (30) calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending.* Notwithstanding the existence of a dispute, the Vendor must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Vendor fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, any additional costs incurred by Sourcewell and/or its Members as a result of such failure to proceed will be borne by the Vendor.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Member order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

Written notice of default and a reasonable opportunity to cure must be issued by the party claiming default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

20. INSURANCE

A. REQUIREMENTS. At its own expense, Vendor must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*

Workers' Compensation: As required by any applicable law or regulation.

Employer's Liability Insurance: must be provided in amounts not less than listed below:

Minimum limits:

\$500,000 each accident for bodily injury by accident

\$500,000 policy limit for bodily injury by disease

\$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Vendor will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition). At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.

Minimum Limits:

\$1,000,000 each occurrence Bodily Injury and Property Damage

\$1,000,000 Personal and Advertising Injury

\$2,000,000 aggregate for Products-Completed operations

\$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Vendor will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer).

Minimum Limits:

\$1,000,000 each accident, combined single limit

4. *Umbrella Insurance.* During the term of this Contract, Vendor will maintain umbrella coverage over Workers' Compensation, Commercial General Liability, and Commercial Automobile.

Minimum Limits:

\$2,000,000

5. *Professional/Technical, Errors and Omissions, and/or Miscellaneous Liability.*

During the term of this Contract, Vendor will maintain coverage for all claims the Vendor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Vendor's professional services required under this Contract.

Minimum Limits:

\$2,000,000 per claim or event

\$2,000,000 – annual aggregate

6. *Network Security and Privacy Liability Insurance.* During the term of this Contract, Vendor will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Vendor's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:

\$2,000,000 per occurrence

\$2,000,000 annual aggregate

Failure of Vendor to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Vendor must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Contract Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf. All policies must include there will be no cancellation, suspension, non-renewal, or reduction of coverage without thirty (30) days' prior written notice to the Vendor.

Upon request, Vendor must provide to Sourcewell copies of applicable policies and endorsements, within ten (10) days of a request. Failure to request certificates of insurance by Sourcewell, or failure of Vendor to provide certificates of insurance, in no way limits or relieves Vendor of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Vendor agrees to name Sourcewell and its Members, including their officers, agents, and employees, as an additional insured under the Vendor's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Vendor, and products and completed operations of Vendor. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Vendor waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Vendor or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance

maintained by the Vendor or its subcontractors. Where permitted by law, Vendor must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies).

F. SELF-INSURED RETENTIONS. Any self-insured retention in excess of \$10,000 is subject to Sourcewell's approval.

21. COMPLIANCE

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Vendor must maintain a valid status on all required federal, state, and local licenses, bonds, and permits required for the operation of the business that the Vendor conducts with Sourcewell and Members.

22. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Vendor certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Vendor declares bankruptcy, Vendor must immediately notify Sourcewell in writing.

Vendor certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota, the United States federal government, or any Member. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Vendor further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

23. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Members that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Members may also require additional requirements based on specific funding specifications. Within this Article, all references to "federal" should be interpreted to mean the United States federal government. The following list only applies when

a Member accesses Vendor's Equipment, Products, or Services with United States federal funds.

A. **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Vendor must be in compliance with all applicable Davis-Bacon Act provisions.

C. **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708).** Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. § 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction

work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Vendor certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Vendor certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Vendor certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Vendor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Vendors must file any required certifications. Vendors must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award

covered by 31 U.S.C. § 1352. Vendors must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Vendors must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Vendor must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Vendor further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of three (3) years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Vendor must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Vendor must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Vendor agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Vendor that are directly pertinent to Vendor's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Vendor's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

24. CANCELLATION

Sourcewell or Vendor may cancel this Contract at any time, with or without cause, upon sixty (60) days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Vendor's Proposal. Termination of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to termination.

Sourcewell

DocuSigned by:
By: Jeremy Schwartz
C0FD2A139D06489...
Jeremy Schwartz
Title: Director of Operations &
Procurement/CPO
Date: 8/28/2019 | 8:39 AM CDT

Musco Sports Lighting LLC

DocuSigned by:
By: James M. Hansen
B16F9CCB78A0420...
James M. Hansen
Title: Secretary
Date: 8/29/2019 | 9:33 AM CDT


Approved:

DocuSigned by:
By: Chad Coauette
7E42B8F817A64CC...
Chad Coauette
Title: Executive Director/CEO
Date: 8/27/2019 | 3:22 PM CDT



3. Membership





Sourcewell membership application can be accessed and completed online at the web site listed below.

<https://www.sourcewell-mn.gov/become-member>



4. About Sourcewell



Cooperative Purchasing Reference Guide

Your guide for sourcing success



Together,
we are
Sourcewell

Cooperative purchasing

Cooperative purchasing is procurement conducted by, or on behalf of, one or more governmental units for use by other governmental units.



Compliant

- Our process can be trusted to satisfy your bid requirements
- We are a government agency that works like you
- Achievement of Excellence in Procurement recipient



Competitive

- Buying power of 50,000 members
- Contracts offer ceiling-based pricing and volume discounts



Convenient

- More than 325 quality vendors holding competitively awarded contracts
- Full suite of options for a complete solution
- Easy, no-cost membership



Become a member

Membership is free. Just fill out an online or paper application. A membership legal agreement is available if needed. After submitting your application, you will receive a Sourcewell member ID number electronically and a welcome packet by mail.

- Online at: www.sourcewell-mn.gov/become-member
- Through hard copy participation membership application (download from our website)
- Through “Joint Exercise of Powers” or “Interlocal” agreements

Make a purchase

Browse our catalog of nationally awarded vendors online. Contact the vendor directly and inform them of your interest in using the Sourcewell contract, OR use our expertise — contact our membership team. We want to be your guide.

For more information, contact our membership team:

877-585-9706

membership@sourcewell-mn.gov

Our process

Cooperative purchasing connects buyers and sellers for efficiency and savings.

Our user-friendly process—the consistency of our documents, forms, and evaluation criteria—is among our greatest assets.

We continuously refine our efforts to meet the changing needs of our members. They value our North American competitive procurement process which satisfies local procurements. requirements.

Our members add value to these steps by understanding their local procurement requirements and assessing their ability to legally access and utilize Sourcewell contracts.

Competitive procurement process

1. Scope of solicitation

We determine the scope of each competitive solicitation by identifying the needs of our members. This is accomplished through daily interactions and guidance from our members.

2. Authorization from Sourcewell Board of Directors

Before initiating a solicitation, we seek permission from the publicly elected Sourcewell Board of Directors.

3. Public notice and advertising

Upon approval from the Board, we issue a public notice and advertisement. Refer to www.sourcewell-mn.gov/process for specific advertising locations.

4. Proposal receipt and opening

We time and date stamp each proposal upon receipt at our office in Staples, MN. We conduct a public-proposal opening at a time, date, and place specified in the RFP. For Sourcewell solicitations published after March 31, 2019, we accept web-based, digital submissions through the Sourcewell Procurement Portal. Responses through the portal are secure and inaccessible until after the published due date and time.

5. Objective evaluation

At the proposal opening, we evaluate the responsiveness of each proposal received. The evaluation committee then presents its recommendations to the chief procurement officer (CPO) for final review and approval.

6. Official award

Upon approval by the CPO and ratification by the Sourcewell Board of Directors, we award the recommended vendor(s) a four-year contract with the potential for a one-year extension. The Procurement Department sends a Notice of Award or Non-Award to all respondents via email.

7. Posting and review of approved contract documents

Sourcewell maintains a complete procurement file, and contract documentation is posted on our website. We periodically review all awarded contracts for compliance and effectiveness. In addition, Sourcewell may review and approve price and product changes at the vendor's request.



3-time recipient of the Achievement of Excellence in Procurement award.

The Sourcewell advantage

Sourcewell is a self-funded government organization. We partner with government, education, and nonprofit entities to boost student and community success.

You can confidently partner with Sourcewell because we:

Value independence

- As a government agency authorized by the state of Minnesota, we can enter into contracts and operate as our own cooperative purchasing lead agency. (See enabling legislation on page 6)
 - We adhere to competitive solicitation requirements of the Uniform Municipal Contracting Law.
- We award most contracts corporately, but you purchase from local dealers and providers.
- Contract terms allow you to propose supplemental terms and conditions.

Lead the way

- Choice of high-quality equipment/products/services—300 North American vendor contracts and more than 500 construction contracts.
- We eliminate low-bid, low-quality issues. You capture lifecycle-cost savings.
- Our contracts are tailored to you with solutions-based solicitations.
 - Basic to fully customized solutions available when you choose from a suite of options.

Read the fine print

- Proven procurement process, refined over 40 years. (See prior page.)
- Contracts competitively solicited on your behalf and awarded by our CPO and elected board.
- The documentation you need is right at your fingertips—with a complete procurement file posted on our website sourcewell-mn.gov.

Make purchasing easy

- Browse our catalog of awarded vendors online.
- Members can then contact the vendor directly and tell them you'd like to use the Sourcewell contract.
 - If not a member, check out how easy it is to join on page 3.
- Tap into our expertise by contacting our membership team: 877-585-9706 or membership@sourcewell-mn.gov.

Frequently asked questions

Q. Who is Sourcewell?

A. Sourcewell, formerly National Joint Powers Alliance, is a local unit of government, a public corporation and agency under the Minnesota Constitution and its enabling law, Minnesota Statutes § 123A.21. Sourcewell employees are government employees.

Q. What is Sourcewell's primary purpose?

A. Sourcewell is a service cooperative created to provide programs and services to members in the government, education, and nonprofit sectors. Its statutory purpose is to assist members in meeting specific needs which are more efficiently delivered cooperatively than by an entity individually. Minn. Stat. § 123A.21, subd. 2.

Q. Is cooperative purchasing one of Sourcewell's authorized activities?

A. Sourcewell is authorized to establish cooperative purchasing contracts on behalf of itself and its members. Sourcewell follows the competitive contract law requirements under Minnesota Statutes § 471.345, to solicit, evaluate, and award these contracts.

Q. How is Sourcewell governed?

A. Sourcewell is governed by an eight-member Board of Directors made up of local elected officials including county commissioners, city council members, mayors, and school board members.

Q. Who is eligible for membership, and how much does it cost?

A. Membership is free and available to all government, education, and nonprofit entities.

Q. How do we join Sourcewell?

A. You can join by submitting an online membership application at: [Sourcewell-mn.gov/join](https://sourcewell-mn.gov/join) or by submitting a paper application.

Q. What specific statute gives my agency the authority to participate?

A. Joint powers and cooperative purchasing laws authorize members to access Sourcewell cooperative purchasing contracts. Sourcewell members are responsible for ensuring compliance with state and local laws in their respective jurisdictions. A comprehensive list of state laws is included on the Sourcewell website on the "Compliance and Legal" page.

Sourcewell continuously monitors changing laws and regulations affecting cooperative purchasing. For questions about state-specific compliance or contract-use requirements, please contact contract.administration@sourcewell-mn.gov.

Q. Can my agency use Sourcewell contracts without issuing our own solicitation?

A. Sourcewell contracts are competitively solicited on behalf of Sourcewell and its members. Individual members are free to determine whether the awarded contracts meet their needs.

Frequently asked questions

Q. Does Sourcewell's procurement process meet federal procurement standards, including the Office of Management and Budget Uniform Guidance (2 CFR Part 200)?

A. Sourcewell's procurement process is continuously improved to ensure compliance with state and federal requirements affecting our members' ability to use cooperative purchasing contracts. Standard federal terms and conditions are included in Sourcewell solicitations and contracts. For specific compliance questions, please contact contract.administration@sourcewell-mn.gov.

Q. How do I obtain copies of the legal documents associated with each contract?

A. Contracts and solicitation documents are available under the "Contract Documentation" tab on each vendor's page on the Sourcewell website. Please follow the instructions under each vendor's "Pricing" tab to access pricing for specific contracts. Due to pricing complexity, some pricing is only available upon request. Procurement files are also available upon request.

Q. As a Sourcewell member, are we able to buy from other contracts?

A. Sourcewell membership and contracts are nonexclusive with no obligation to purchase.

Q. How is Sourcewell funded?

A. Sourcewell is funded by administrative fees paid by vendors. When Sourcewell awards a contract, that vendor realizes substantial efficiencies in the form of thousands of sales opportunities. Vendors pay a percentage of those sales to Sourcewell to cover costs related to the procurement process and to offset general operating costs.

Material prepared and provided by Sourcewell is intended as informational and for reference purposes, but is not legal advice. We recognize your responsibility to ensure the Sourcewell procurement process complies with your local laws.



Cooperative purchasing

Sourcewell creates cooperative contract purchasing solutions on behalf of its member agencies. Cooperative contracts offer both time and money savings for users by consolidating the efforts of numerous individually prepared solicitations into one, cooperatively shared process—taking advantage of the volume pricing generated by 50,000 members across North America.

Join and purchase

Visit sourcewell-mn.gov/cooperative-purchasing or turn to page 3 for more details.

We want to be your guide.

Contact our membership team:

877-585-9706

membership@sourcewell-mn.gov



City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

City Council Meeting

File #: 21-936

Agenda #: D.

Agenda Date: 10/26/2021

Category: Consent Calendar

FROM:

Engineering

SUBJECT:

Final Acceptance of Subdivision Improvements for Tract No.'s 18894 and 20132

RECOMMENDATION:

1. Accept as complete the Subdivision Improvements for Tract No.'s 18894 and 20132 located north of Arrow Boulevard and east of Tamarind Avenue.
2. Adopt **Resolution No. 2021-_____**, accepting sewers in Tract No.'s 18894 and 20132 as part of the City sewer system.

COUNCIL GOALS:

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

DISCUSSION:

The developers for Tract No.'s 18894 and 20132 are Apple 7, LLC and Jay Gees respectively. The tracts were constructed simultaneously by a developer partnership and the subdivision infrastructure improvements are now complete. These single family residential subdivisions have a total of 13 residential lots. These lots vary in size from 10,674 square feet to approximately 13,072 square feet. Tract No.'s 18894 and 20132 are located north of Arrow Boulevard and east of Tamarind Avenue.

Upon completion of the Tract Subdivision Improvements, acceptance by the City Council is required pursuant to Fontana Municipal Code, Section 26-184(b). The Subdivision improvements have been completed to the satisfaction of the Department of Engineering. By accepting these subdivisions as complete, the City will be taking over the maintenance of the Subdivision Improvements.

This action will also authorize the release of the Faithful Performance Bond, Labor and Material Bond, and the Warranty Bond, which were posted to guarantee performance to the subdivisions agreements as listed below. These tracts have met all conditions of approval and the improvements were inspected by the Department of Engineering.

<u>Tract Map No.</u>	<u>Bond No.</u>	<u>Bond Amount</u>
18894 & 20132	CAC716761	\$ 394,636.00

FISCAL IMPACT:

As part of this action to accept as complete the Subdivision Improvements for Tract No.'s 18894 and 20132, these subdivisions will be deemed complete and the City will take over operation and maintenance of public streets and public infrastructure.

MOTION:

Approve staff recommendation.

RESOLUTION NO. 2021-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA
ACCEPTING THE SEWERS IN TRACT NO.'S 18894 AND 20132 AS
PART OF THE CITY'S SEWER SYSTEM**

WHEREAS, Section 23-388 of the Code of the City of Fontana provides that each addition to or extension of the sewer systems shall be accepted by Resolution of the City Council; and

WHEREAS, the Resolution of Acceptance shall contain the terms of any special consideration which shall apply to the sewer so accepted; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fontana hereby accepts as a part of the City's sewer system the sewer mains and laterals constructed within and part of Tract No.'s 18894 and 20132 located north of Arrow Boulevard and east of Tamarind Avenue. No special consideration shall apply to any lots in Tract No.'s 18894 and 20132.

APPROVED AND ADOPTED this 26th day of October, 2021.

City Attorney

I, Tonia Lewis, City Clerk and Ex-Officio Clerk of the City of Fontana, California, do hereby certify that the foregoing Resolution is the actual Resolution duly and regularly adopted by the City Council at a regular meeting of said City Council on the 26th day of October, 2021, by the following to-wit:

AYES:

NOES:

ABSENT:

City Clerk of the City of Fontana

Mayor of the City of Fontana

ATTEST:

City Clerk



VICINITY MAP

**TRACTS 18894 &
20132**

FOUND 1" I.P., TAGGED SB CO. SURV.
— PER CR 200/33

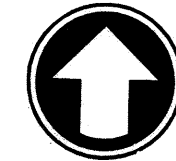
TRACT MAP NO. 20132
IN THE CITY OF FONTANA, SAN BERNARDINO COUNTY, CALIFORNIA
BEING A SUBDIVISION OF LOTS 8, 9, 10, AND PORTION OF LOTS 3 AND 4, ALL OF TRACT MAP 2256,
OWEN AND COLE SUBDIVISION, RECORDED IN MAP BOOK 32, PAGE 29 OF MAPS, RECORDS OF
SAN BERNARDINO COUNTY, STATE OF CALIFORNIA

HP ENGINEERING, INC.

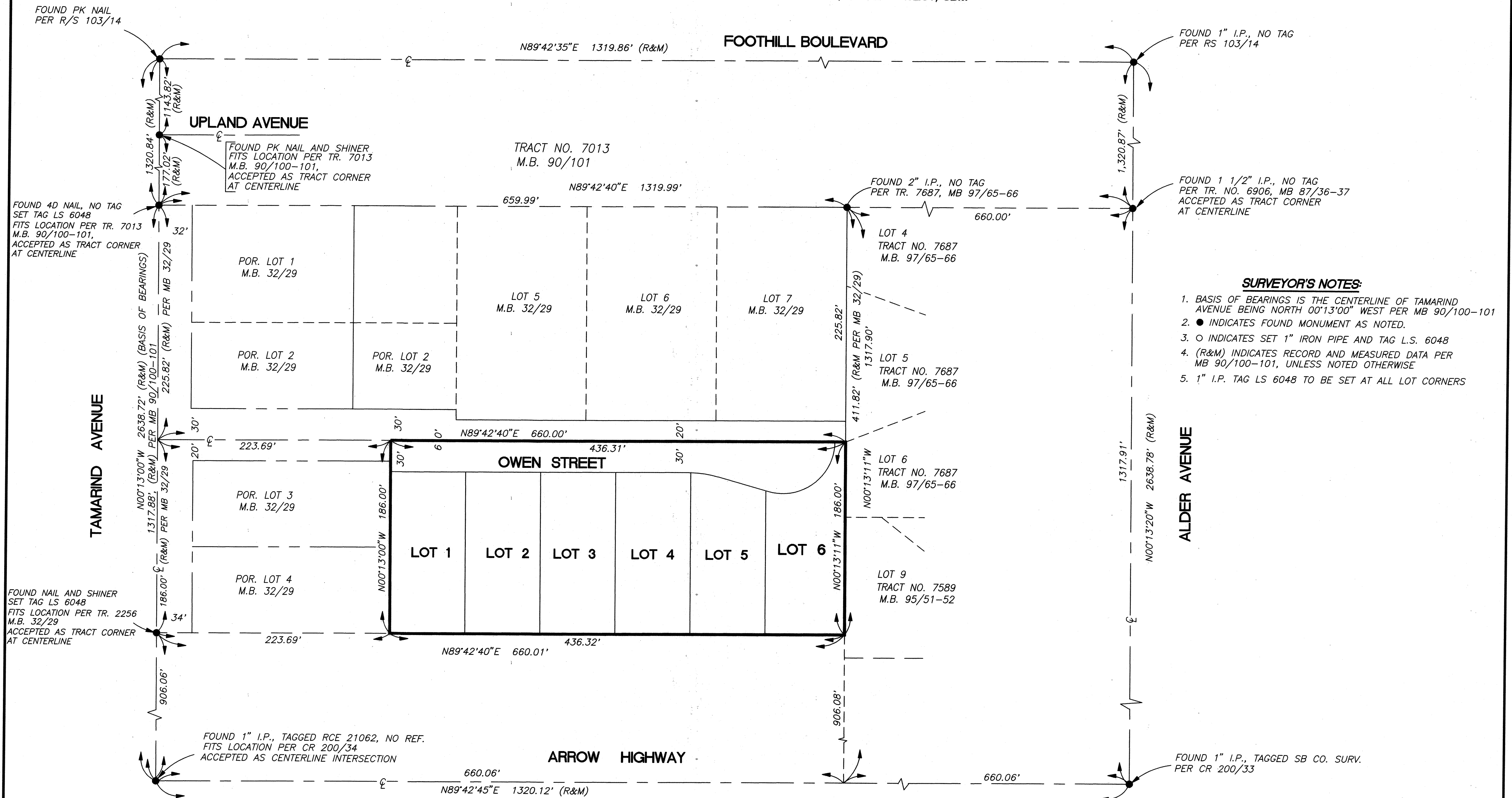
MAY, 2018

SECTION 8, TOWNSHIP 1 SOUTH, RANGE 5 WEST, SBM

SHEET 2 OF 3 SHEETS



0 30 60 120 180
SCALE: 1"=60'





City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

City Council Meeting

File #: 21-937

Agenda #: E.

Agenda Date: 10/26/2021

Category: Consent Calendar

FROM:

Engineering

SUBJECT:

Final Acceptance of Subdivision Improvements for Tract Map No. 17317

RECOMMENDATION:

1. Accept as complete the Subdivision Improvements for Tract No. 17317 located on the southeast corner of Citrus Avenue and Walnut Street.

2. Adopt **Resolution No. 2021-_____**, accepting sewers in Tract No. 17317, as part of the City sewer system.

COUNCIL GOALS:

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

DISCUSSION:

The developer of Tract No. 17317 is RSI Communities-California LLC. Tract 17317 is a single-family residential subdivision located on the southeast corner of Citrus Avenue and Walnut Street. This residential subdivision has a total of 17 residential lots. These lots range in size from approximately 6,000 square feet to approximately 11,700 square feet.

Upon completion of tract Subdivision Improvements, acceptance by the City Council is required pursuant to Fontana Municipal Code, Section 26-184(b). The Subdivision Improvements have been completed to the satisfaction of the Department of Engineering. By accepting the subdivision as complete, the City will be taking over the maintenance of the Subdivision Improvements.

The action will also authorize the release of the Faithful Performance Bond, Labor and Material Bond, and the Warranty Bond, which were posted to guarantee performance to the subdivision agreements as listed below. This tract has met all conditions of approval and the improvements were inspected by the Department of Engineering.

<u>Tract Map Number</u>	<u>Bond Number</u>	<u>Bond Amount</u>
17317	PB03010405273	\$77,665.00

FISCAL IMPACT:

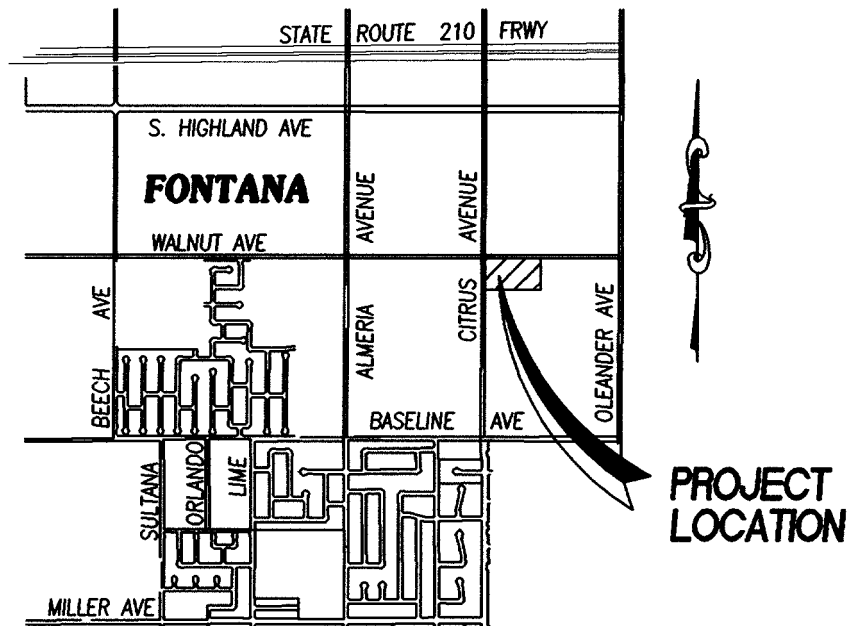
As part of the action to accept as complete the Subdivision Improvements for Tract No. 17317, this

subdivision will be deemed complete and the City will take over operation and maintenance of public streets and public infrastructure.

MOTION:

Approve staff recommendation.

Tract No. 17317



VICINITY MAP

N.T.S.

323/38

GROSS AREA :
3.947 ACRES
NET AREA:
2.888 ACRES
NUMBERED LOTS:
17 LOTS
LETTERED LOTS:
2 LOTS

TRACT MAP NO. 17317

SHEET 1 OF 3

BEING A SUBDIVISION OF A PORTION OF THE NORTHWEST ONE-QUARTER OF LOT 5 OF ORANGE HEIGHTS ACRES, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS RECORDED IN BOOK 19 OF MAPS, PAGE 23, RECORDS OF SAID COUNTY.

SECTION 31, T.1N., R.5W., S.B.M.
ALLARD ENGINEERING MARCH 2006

OWNER'S STATEMENT:

WE HEREBY STATE THAT WE ARE ALL AND THE ONLY PARTIES HAVING ANY RECORD TITLE INTEREST IN THE LAND SUBDIVIDED AS SHOWN ON THIS MAP AND WE HEREBY CONSENT TO THE PREPARATION AND RECORDATION OF THIS FINAL MAP.

WE HEREBY DEDICATE TO THE CITY OF FONTANA AS EASEMENTS FOR PUBLIC USE FOR STREET, HIGHWAY AND RELATED PURPOSES, UNDER, OVER AND UPON: TWINBERRY COURT AND WINTER NIGHT AVENUE AS SHOWN ON THIS MAP.

WE ALSO HEREBY DEDICATE TO THE CITY OF FONTANA, ALL RIGHTS OF VEHICULAR INGRESS AND EGRESS FROM, OVER AND ACROSS THE WESTERLY LINE OF LOTS 10-12 ABUTTING CITRUS AVENUE AND THE NORTHERLY LINE OF LOTS 1, 12-17, ABUTTING WALNUT AVENUE AS SHOWN ON THIS MAP.

WE ALSO HEREBY DEDICATE TO THE CITY OF FONTANA, LOTS "A", AND "B", FOR LANDSCAPE AND MAINTENANCE PURPOSES AS SHOWN ON THIS MAP.

WE ALSO HEREBY DEDICATE TO THE CITY OF FONTANA, THE VARIABLE WIDTH STORM DRAIN EASEMENT ACROSS LOT "A" AND LOT 11 AS SHOWN ON THIS MAP.

WE ALSO HEREBY DEDICATE TO THE CITY OF FONTANA, THE 20' WIDE SEWER EASEMENT ACROSS LOT "A" AND LOT 10 AS SHOWN ON THIS MAP.

WE ALSO HEREBY DEDICATE TO THE CITY OF FONTANA, THE RESTRICTED LINE OF SIGHT EASEMENTS ACROSS LOTS 1, "A" AND "B" AS SHOWN ON THIS MAP.

STRATHAM SUMMIT, INC.,
A CALIFORNIA CORPORATION

BY: Ali Razi
ALI RAZI,
PRESIDENT

6-28-2006
DATE

BENEFICIARY:

CALIFORNIA BANK & TRUST, A CALIFORNIA BANKING CORPORATION, AS BENEFICIARY UNDER DEED OF TRUST RECORDED July 12, 2006, AS INSTRUMENT NO. 2006-0471525, OFFICIAL RECORDS OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.

BY: James M. Hirano 7/13/06
DATE

NOTARY ACKNOWLEDGMENT:

STATE OF CALIFORNIA
COUNTY OF Orange

ON July 5, 2006 BEFORE ME, Jennifer Taylor, Notary Public
PERSONALLY APPEARED Ali Razi

PERSONALLY KNOWN TO ME (OR 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 THIS INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

WITNESS MY HAND AND OFFICIAL SEAL.

PRINT NAME

MY COMMISSION EXPIRES Dec 13, 2009

MY PRINCIPAL PLACE OF BUSINESS IS IN Orange COUNTY.

NOTARY ACKNOWLEDGMENT:

STATE OF CALIFORNIA
COUNTY OF Los Angeles

ON July 13, 2006 BEFORE ME, Lourdes Delgado, Notary Public
PERSONALLY APPEARED James M. Hirano

PERSONALLY KNOWN TO ME (OR 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 THIS INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

WITNESS MY HAND AND OFFICIAL SEAL.

Lourdes Delgado

PRINT NAME

MY COMMISSION EXPIRES October 14, 2009

MY PRINCIPAL PLACE OF BUSINESS IS IN Los Angeles COUNTY.

SIGNATURE OMISSIONS:

PURSUANT TO THE PROVISIONS OF SECTION 66436 (a)(3) OF THE SUBDIVISION MAP ACT, THE FOLLOWING SIGNATURES HAVE BEEN OMITTED:

BOAZ DUNCAN, HOLDERS OF AN EASEMENT FOR PIPELINES AND INCIDENTAL PURPOSES RECORDED JULY 6, 1908, IN BOOK 419, PAGE 318, DEEDS. (CANNOT BE LOCATED FROM RECORDS)

CHARLES E. MISNER AND IDA B. MISNER, HOLDERS OF AN EASEMENT FOR PIPELINES AND INCIDENTAL PURPOSES RECORDED FEBRUARY 26, 1914, IN BOOK 546, PAGE 20, DEEDS. (CANNOT BE LOCATED FROM RECORDS)

SOUTHERN CALIFORNIA EDISON COMPANY, HOLDERS OF AN EASEMENT FOR POLELINES AND INCIDENTAL PURPOSES RECORDED AUGUST 9, 1962, IN BOOK 5748, PAGE 597, OFFICIAL RECORDS.

SOUTHERN CALIFORNIA EDISON COMPANY, HOLDERS OF AN EASEMENT FOR POLELINES AND INCIDENTAL PURPOSES RECORDED MARCH 22, 2004, AS INSTRUMENT NO. 2004-0193215, OFFICIAL RECORDS.

BOARD OF SUPERVISOR'S CERTIFICATE:

I HEREBY CERTIFY THAT A BOND IN THE SUM OF \$ 0 HAS BEEN EXECUTED AND FILED WITH THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, CONDITIONED UPON THE PAYMENT OF ALL TAXES, STATE, COUNTY, MUNICIPAL, OR LOCAL, AND ALL SPECIAL ASSESSMENTS, COLLECTED AS TAXES, WHICH AT THE TIME OF FILING OF THE ANNEXED MAP WITH THE COUNTY RECORDER ARE A LIEN AGAINST SAID PROPERTY, BUT NOT YET PAYABLE AND THAT THE SUBDIVIDER HAS FILED WITH ME A CERTIFICATE BY THE PROPER OFFICER GIVING HIS ESTIMATE OF THE AMOUNT OF SAID TAXES AND ASSESSMENTS, AND SAID BOND IS HEREBY ACCEPTED.

10/12/06
DATE

DENA M. SMITH
CLERK OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN BERNARDINO

BY: Jim Mooney DEPUTY

AUDITOR'S STATEMENT:

I HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THIS OFFICE, AS OF THIS DATE, THERE ARE NO LIENS AGAINST THE REAL PROPERTY SHOWN UPON THIS MAP FOR UNPAID STATE, COUNTY, MUNICIPAL OR LOCAL TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES, EXCEPT TAXES OR SPECIAL ASSESSMENTS NOT YET PAYABLE, ESTIMATED TO BE \$ 0

LARRY WALKER, COUNTY AUDITOR/CONTROLLER
COUNTY OF SAN BERNARDINO
STATE OF CALIFORNIA

Jim Mooney
DEPUTY
10/12/06
DATE

SURVEYOR'S STATEMENT:

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED ON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF STRATHAM HOMES IN MARCH 2006. I HEREBY STATE THAT ALL THE MONUMENTS SHOWN HEREON ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED, OR WILL BE SET IN SUCH POSITIONS WITHIN ONE YEAR OF RECORDATION, IN COMPLIANCE WITH SECTIONS 66495 AND 66496 OF THE SUBDIVISION MAP ACT AND ARE OR WILL BE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED. I HEREBY STATE THAT THIS PARCEL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP.

MARK WARE P.L.S. 5820
EXP: 6-30-08

7/19/06
DATE



CITY ENGINEER'S STATEMENT:

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP, THAT THE SUBDIVISION SHOWN THEREON IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP, AND ANY APPROVED ALTERATIONS THEREOF, AND THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT AND ARTICLE I THROUGH III, CHAPTER 26, CODE OF THE CITY OF FONTANA HAVE BEEN COMPLIED WITH AND I AM SATISFIED THAT THE MAP IS TECHNICALLY CORRECT.

RICARDO SANDOVAL, P.L.S. 7407
EXP: 12-31-07
CITY ENGINEER
CITY OF FONTANA, CALIFORNIA

10-3-06
DATE



CITY OFFICIAL'S STATEMENT:

AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF FONTANA, STATE OF CALIFORNIA, HELD ON THE 26th DAY OF SEPT., 2006. THE SAID CITY COUNCIL ACCEPTED ON BEHALF OF THE CITY OF FONTANA THIS MAP OF TRACT NO. 17317 AND ACCEPTED THE FOREGOING DEDICATIONS.

THIS PROCEDURE IS THE TRUE AND COMPLETE PROCEDURE APPROVED BY CITY COUNCIL ON THE 26th DAY OF SEPT., 2006.

ATTEST: Beatrice Watson
CITY CLERK, CITY OF FONTANA

Linda S. Nunn
LINDA S. NUNN
DEPUTY CITY CLERK
Mark N. Nuami
MARK N. NUAMI
MAYOR, CITY OF FONTANA

SAN BERNARDINO COUNTY RECORDER'S CERTIFICATE

THIS MAP HAS BEEN FILED UNDER DOCUMENT NUMBER 2006-0697048 THIS 12th DAY OF October, 2006, AT 2:08 P.M. IN BOOK 323 OF TRACT MAPS AT PAGE(S) 38-40, AT THE REQUEST OF ORANGE COAST IN THE AMOUNT OF \$ 11.00

LARRY WALKER
AUDITOR-CONTROLLER/RECORDER
COUNTY OF SAN BERNARDINO

BY: Beatrice Watson
DEPUTY RECORDER

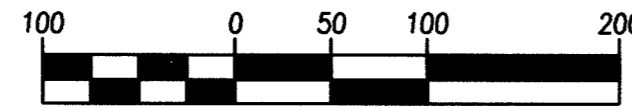
323/38

323/39

TRACT MAP NO. 17317

BEING A SUBDIVISION OF A PORTION OF THE NORTHWEST ONE-QUARTER OF LOT 5 OF ORANGE HEIGHTS ACRES, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS RECORDED IN BOOK 19 OF MAPS, PAGE 23, RECORDS OF SAID COUNTY.

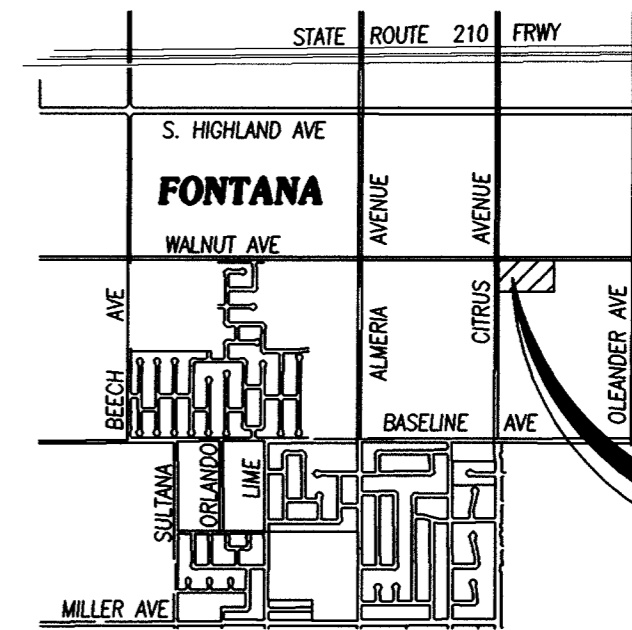
SECTION 31, T.1N., R.5W., S.B.M.
ALLARD ENGINEERING MARCH 2006



SCALE: 1"=100'

WALNUT AVENUE

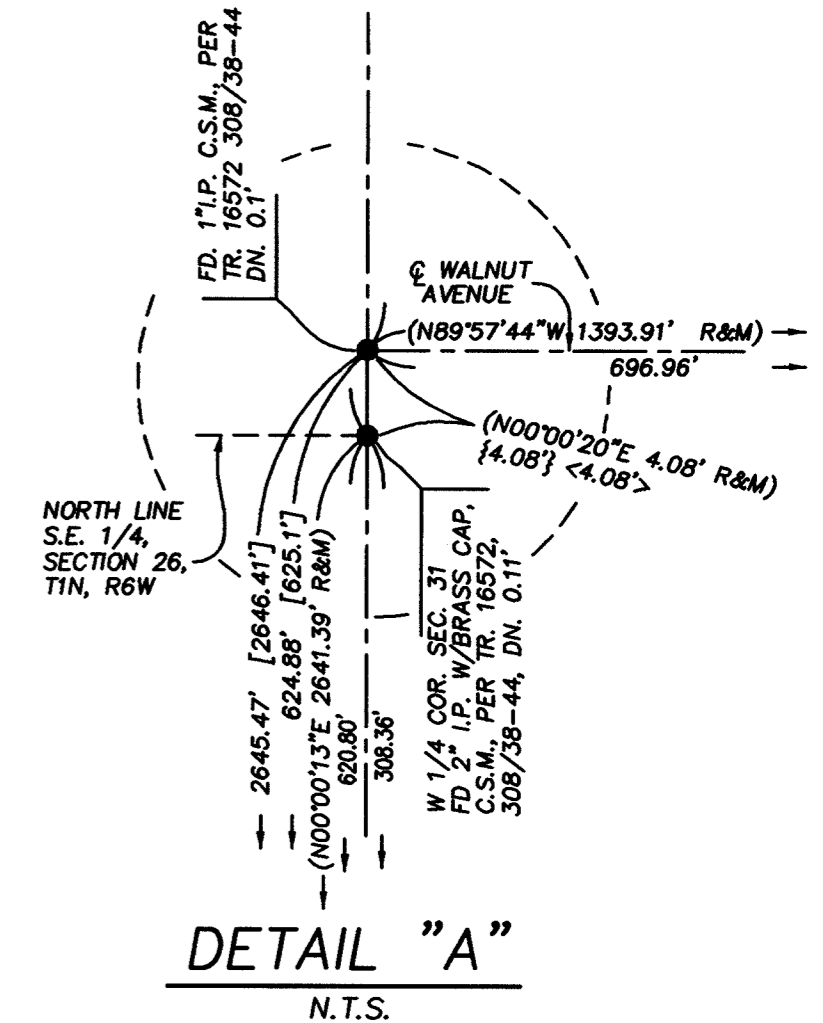
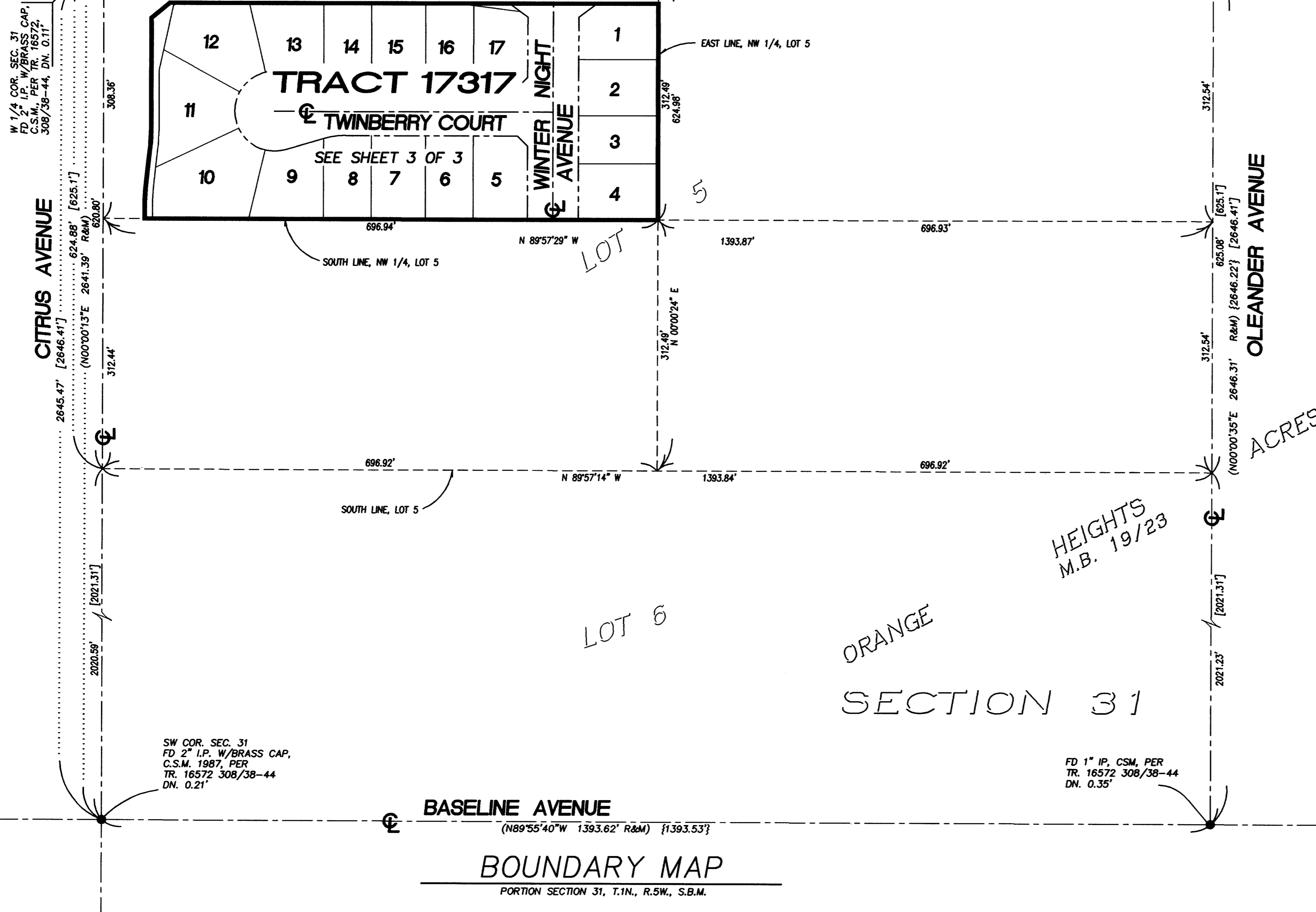
FD 1" IP, LS 4563, PER
TR. 16572 308/38-44
FLUSH



VICINITY MAP

N.T.S.

PROJECT LOCATION



SURVEYOR'S NOTES

- INDICATES FOUND MONUMENT, PER TRACT 16572, M.B. 304/38-44
- INDICATES SET 1" I.P., TAGGED L.S. 5820, FLUSH, UNLESS OTHERWISE NOTED
- 1" I.P., TAGGED L.S. 5820 TO BE SET AT ALL REAR LOT CORNERS AND ANGLE POINTS IN SIDE LOT LINES, LEAD AND TAG, L.S. 5820 TO BE SET IN TOP OF CURB AT PROLONGATION OF ALL SIDE LOT LINES. IN THE EVENT THE ABOVE DESCRIBED MONUMENT CANNOT BE SET, A TAG, L.S. 5820, WILL BE AFFIXED IN CONCRETE, STONE, WOOD OR METAL AT THE TRUE POSITION CALLED FOR BY THIS MAP.
- () DENOTES RECORD AND MEASURED PER TRACT 16572, M.B. 304/38-44
- < > DENOTES RECORD DATA PER R.S. 117/68
- { } DENOTES RECORD DATA PER R.S. 118/68
- [] DENOTES RECORD DATA PER ORANGE HEIGHTS ACRES, M.B. 19/23

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS MAP WAS TAKEN FROM THE CENTERLINE OF WALNUT AVENUE AS SHOWN ON TRACT 16572, M.B. 304/38-44, BEING: N89°57'44"W

SHEET 2 OF 3

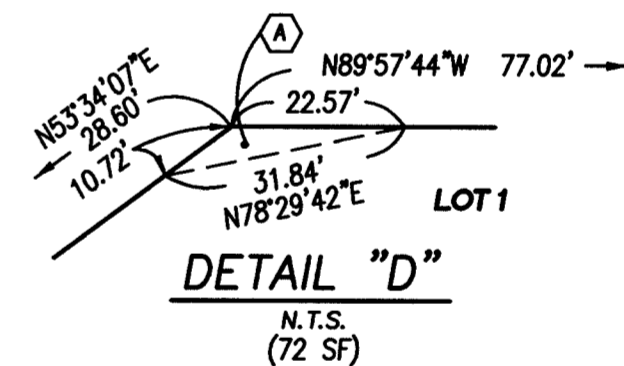
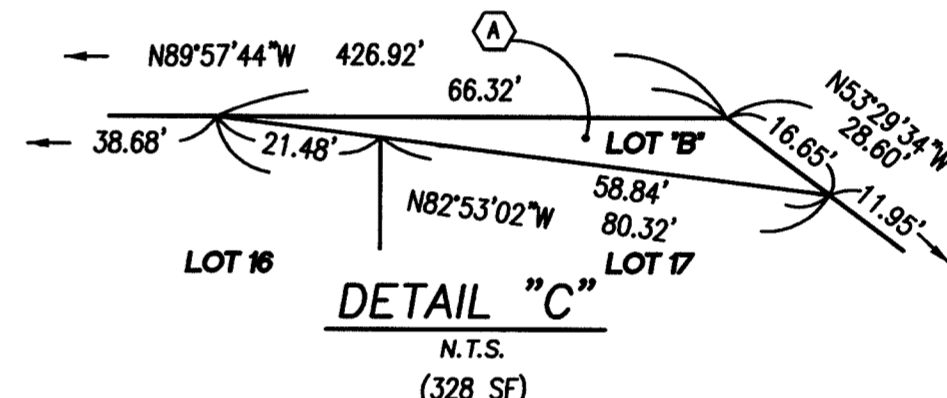
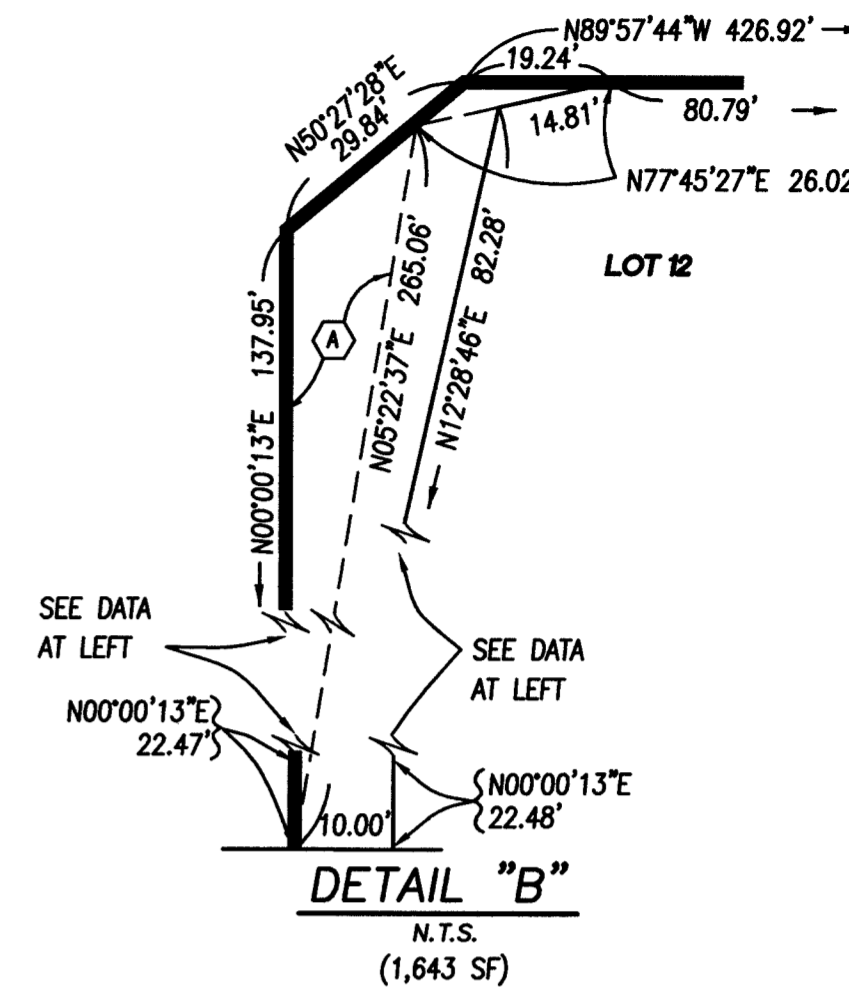
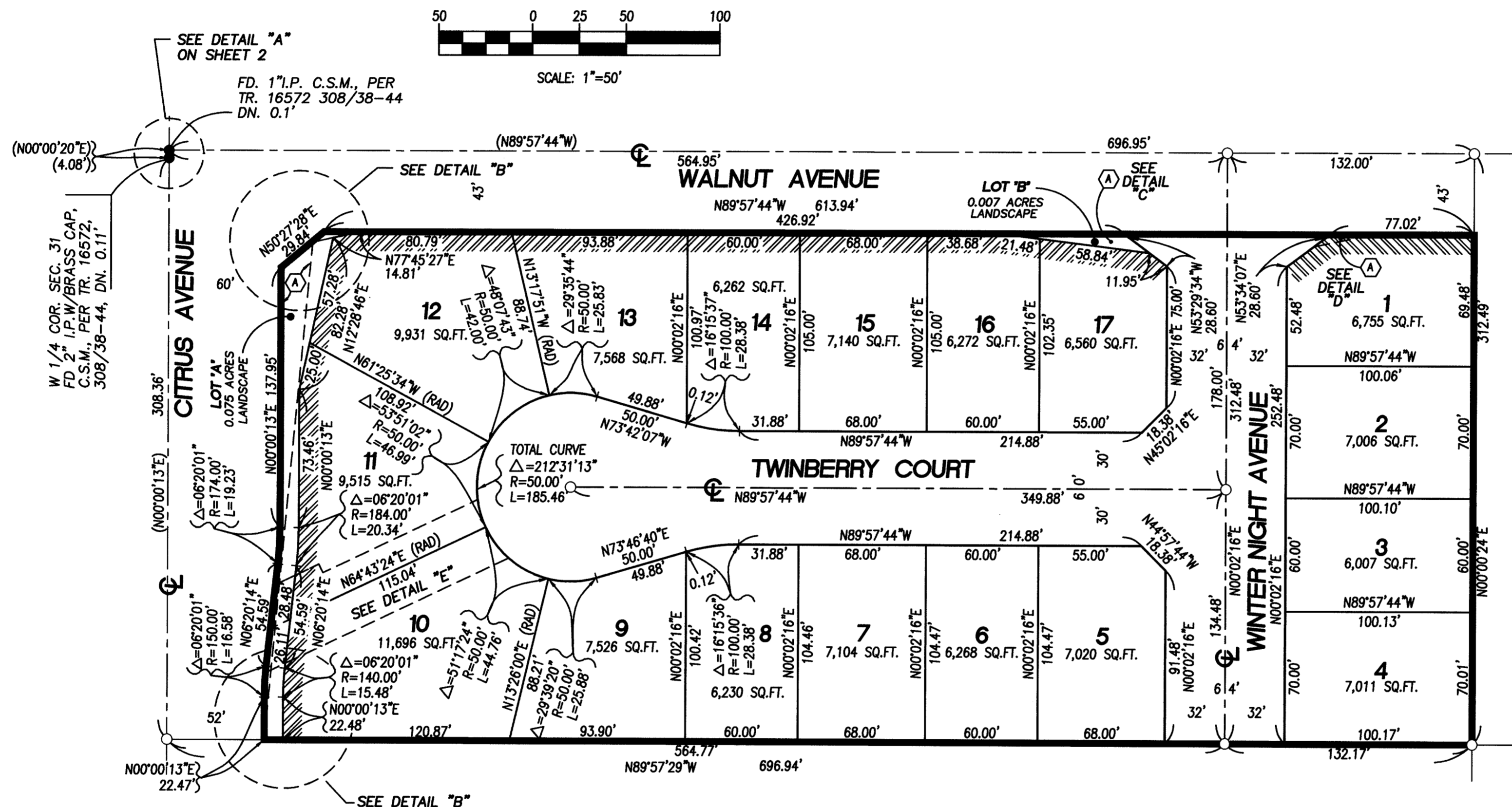
323/39

323/40

TRACT MAP NO. 17317

BEING A SUBDIVISION OF A PORTION OF THE NORTHWEST ONE-QUARTER OF LOT 5 OF ORANGE HEIGHTS ACRES, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS RECORDED IN BOOK 19 OF MAPS, PAGE 23, RECORDS OF SAID COUNTY.

SECTION 31, T.1N., R.5W., S.B.M.
ALLARD ENGINEERING MARCH 2006



SURVEYOR'S NOTES

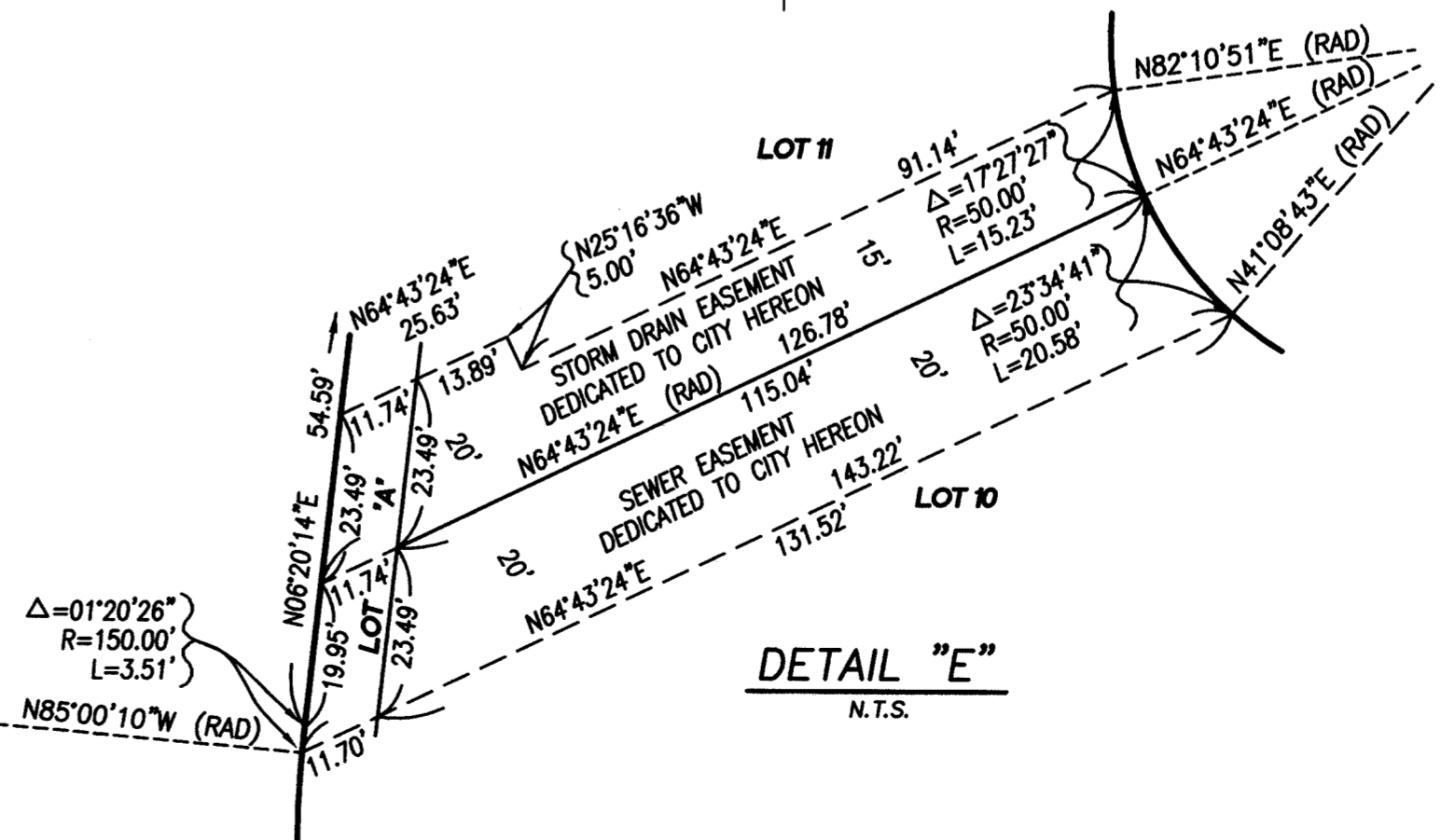
- INDICATES FOUND MONUMENT, PER TRACT 16572, M.B. 304/38-44
- INDICATES SET 1" I.P., TAGGED L.S. 5820, FLUSH, UNLESS OTHERWISE NOTED
- 1" I.P., TAGGED L.S. 5820 TO BE SET AT ALL REAR LOT CORNERS AND ANGLE POINTS IN SIDE LOT LINES LEAD AND TAG, L.S. 5820 TO BE SET IN TOP OF CURB AT PROLONGATION OF ALL SIDE LOT LINES.
- IN THE EVENT THE ABOVE DESCRIBED MONUMENT CANNOT BE SET, A TAG, L.S. 5820, WILL BE AFFIXED IN CONCRETE, STONE, WOOD OR METAL AT THE TRUE POSITION CALLED FOR BY THIS MAP.
- () DENOTES RECORD AND MEASURED PER TRACT 16572 M.B. 304/38-44
- (RAD) DENOTES RADIAL BEARING
- ////// DENOTES NON-VEHICULAR ACCESS

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS MAP WAS TAKEN FROM THE CENTERLINE OF WALNUT AVENUE AS SHOWN ON TRACT 16572, M.B. 304/38-44, BEING : N89°57'44"W

EASEMENTS

Ⓐ DENOTES RESTRICTED LINE OF SIGHT EASEMENT DEDICATED TO THE CITY OF FONTANA. NO LANDSCAPING OR OTHER IMPROVEMENTS GREATER THAN 30 INCHES ALLOWED ABOVE GROUND.



323/40

RESOLUTION NO. 2021-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA
ACCEPTING THE SEWERS IN TRACT NO. 17317 AS PART OF THE
CITY'S SEWER SYSTEM**

WHEREAS, Section 23-388 of the Code of the City of Fontana provides that each addition to or extension of the sewer systems shall be accepted by Resolution of the City Council; and

WHEREAS, the Resolution of Acceptance shall contain the terms of any special consideration which shall apply to the sewer so accepted; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fontana hereby accepts as a part of the City's sewer system the sewer mains and laterals constructed within and part of Tract No. 17317 is located at the southeast corner of Citrus Avenue and Walnut Street. No special consideration shall apply to any lots in Tract No. 17317.

APPROVED AND ADOPTED this 26th day of October, 2021.

City Attorney

I, Tonia Lewis, City Clerk and Ex-Officio Clerk of the City of Fontana, California, do hereby certify that the foregoing Resolution is the actual Resolution duly and regularly adopted by the City Council at a regular meeting of said City Council on the 26th day of October, 2021, by the following to-wit:

AYES:

NOES:

ABSENT:

City Clerk of the City of Fontana

Mayor of the City of Fontana

ATTEST:

City Clerk



City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

City Council Meeting

File #: 21-949

Agenda #: F.

Agenda Date: 10/26/2021

Category: Consent Calendar

FROM:

Community Services

SUBJECT:

New Athletic Field Tiered Fee Proposal

RECOMMENDATION:

Review, Discuss and Approve the Proposed Athletic Field Permit Process and User Fees.

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.

DISCUSSION:

On Thursday, August 24, 2021, the City Council and Parks, Community and Human Services Commission held a Special meeting to review and discuss the topic Athletic Field Permit Process and User Fees. At this meeting, the City Council and Commission provided consensus for staff to return to City Council at a future date to formally present a framework for review and adoption.

The Community Services Department allocates the City of Fontana athletic field inventory to resident and non-resident youth sports organizations. Currently, Resident Youth Non-Profit or RYNP leagues have the highest priority when allocating athletic fields. Current RYNP entities include AYSO, Little Leagues and Pop Warner organizations.

The original concept of categorizing youth sports organizations was to ensure the Fontana Resident Youth Sports Leagues had and held priority over individual rental-based teams and organizations. Specifically, leagues run within the City of Fontana that serve a determined percentage of residents were awarded athletic fields. Not only do these RYNP organizations hold the highest priority of field allocations, but they are also offered a lower rate for field rentals during their respective times of operations.

However, over the years, an increase of individual youth sports teams have expressed their challenges in continuing to pay full rental rates and how that effects their operations. The economic challenge of paying full rental rates while offering their respective services to the community at affordable rates rapidly developed into an issue these groups expressed to CSD. Many of these teams or organizations could meet the RYNP criteria set forth. Specifically, the "league" portion and residency rate has kept these team achieving the coveted RYNP status.

CSD realized the issue at hand and recently conducted a review of its current priority level framework and fee schedule to better serve these organizations and provide a more fair and equitable system

for this evolving segment of athletic field facility usage.

RYNP CRITERIA

Current RYNP organizations have a criterion of requirements each must meet to be granted the RYNP status and receive the highest level of priority when allocations are distributed. Below are what the CSD believe are the most important.

- Organization must have a Charter based out of Fontana
- Organization must be an independent league based out of Fontana
- Organization must have a Board of Directors
- Organization must have a current Determination Letter of Exempt Status, U.S. Treasury 501c3 or certify affiliation with a national non-profit organization
- Organization must have Articles of Incorporation and/or bylaws
- Organization must have an active Determination Letter of Exempt Status, State Franchise Tax Board
- Organization total participant membership must include 80% or greater residency
- Organization must coordinate league within city limits, schedule games based on registration for play in Fontana and maintain an 80% overall residency of participants. Failure to meet 80% residency requirement criteria/eligibility will result in the loss of RYNP status with current permits being revised to reflect current field rental rate
- Organization must submit game schedules prior to the start of season. Schedules must match team rosters submitted
- Organization must uphold parents, coaches, and participants to an approved "Code of Conduct"; as initiated in their bylaws and rules and regulations.
 - **NOTE:** Failure to submit and uphold all members of an organization to an approved "Code of Conduct" may result in an organization's forfeiture of all field allocations
- Organization must conduct all sport related activity on issued facility space and within time allocated based on permits
- Must be current on account balance to be issued new permits

CURRENT RYNP ORGANIZATIONS

The (12) current youth sports organizations below hold the RYNP status. Within the new proposed tiers and fee scheduled these 12 groups will not be displaced from their RYNP and will continue their respective traditional athletic field allocations.

Of those twelve, (3*) hold dual status of RYNP and Rental group because of their organizational structure and services provided.

- AYSO Region 136
- Fontana American Little League
- Fontana Baseball Association - PONY
- Fontana Community Little League

- Fontana Elks Little League
- Fontana Pop Warner
- FONSA - Soccer*
- FISA - Soccer *
- Junior All American Inland Empire Bruins
- Junior All American Summit Titans
- Southridge Little League
- Universal - Soccer*

Fontana (RYNP) Fee History

Over the past 9 years, CSD has attempted to accommodate the RYNP leagues while also holding them accountable for field use. Unfortunately, some of our most traditional leagues would annually request every field, everyday whether they had the registration numbers to justify that type of use, also known as blanketing the park. Since imposing the RYNP Field Fee and criteria upon the leagues in 2013 these groups have become much more efficient in utilizing and requesting fields. Allowing the Field Allocation personnel to permit other youth sports organizations field space.

Below is a history and the evolution of our attempts at ensuring our traditional Fontana Youth Sports Organization are held accountable and have the ability offer their services at an affordable rate.

- Prior to 2013
 - No Charge to RYNP sports organizations
 - Blanket Field requests from RYNP organizations limited the use and availability of fields
- 2012
 - \$2.00 per hour/per field Soccer & Football Organizations
 - \$1.00 per hour/per field Baseball/Softball Organizations
 - Difference in charges, based on theory that Soccer/Football could accommodate more than one team per field/per practice session and that Baseball/Softball could only accommodate one team per field per practice session
- 2013
 - \$1.00 per hour/per field Soccer & Football Organizations
 - \$0.50 per hour/per field Baseball/Softball Organizations
 - Eliminated Blanket Field requests and forced RYNP organizations to efficiently utilize the fields they were allocated

- 2018
 - \$1.00 per hour/per field All Qualified RYNP Organizations

Current Fee Schedule

Below are the current Field Rental charges to all youth sports user groups that do not qualify for the RYNP status.

- Private Youth Group without Lights \$20.00
- Private Youth Group with Lights \$40.00
- Artificial Turf Facility Usage/Upgrade \$15.00

NEW PROPOSED TIERS OF RYNP FEE SCHEDULE

After much conversation, research, and consideration CSD recommends the following Tier system be instituted as the new RYNP fee schedule.

- #1 TIER - Allocation Priority 1
 - Resident Youth Non-Profit (RYNP)
 - \$1.00 Per Hour/Per Field
 - Current RYNP criteria applies
 - Show and Maintain 80%-100% Residency Rate per season
 - Independent
- #2 TIER - Allocation Priority 2
 - Resident Youth League (RYL)
 - \$10.00 Per Hour/Per Field
 - \$20.00 Per Hour/Per field with lights
 - \$7.50 Per Hour/Per field Turf fee
 - 50% Reduction
 - All other RYNP criteria apply
 - Qualified organizations must show & maintain 50% or greater Residency Rate per season
- #3 TIER - Allocation Priority 3
 - Resident Youth Sports Organization (RYSO)
 - \$15.00 Per Hour/Per Field

- \$30.00 Per Hour/Per field with lights
- \$10.00 Per Hour/Per field Turf fee
 - 25% Reduction
- All other RYNP criteria apply
 - Qualified organizations must show & maintain 50% or greater Residency Rate per allocation period
 - No Requirement for a League or a Charter
- #4 TIER - Allocation Priority 4
 - Youth Sports Organizations (YSO)
 - Resident & Non-Resident
 - Full Price rentals for private youth and adult field use

FISCAL IMPACT:

It is estimated to have about (7) current rental leagues qualify for the (RYL) #2 Tier to reduce revenue by about \$25,000 - \$30,000.00 annually.

Additionally, it's possible as many as (10) current rental for-profit club organizations could qualify for the RYSO #3 Tier to reduce revenue by another \$15,000-\$20,000 annually.

Current annual Ballfields Revenue budget = \$235,750.00

Anticipated revised annual Ballfields Revenue budget = \$185,750.00

Total anticipated reduction in revenue = <\$50,000.00>

If approved, revenue reductions will be part of the Mid-Year Budget Status Report

MOTION:

Review, Accept and File Staff Report



City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

City Council Meeting

File #: 21-962

Agenda #: G.

Agenda Date: 10/26/2021

Category: Consent Calendar

FROM:

Police Department

SUBJECT:

Police Department Monthly Information Update

RECOMMENDATION:

Accept the Police Department monthly information update for September 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 September 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.



City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

City Council Meeting

File #: 21-964

Agenda #: H.

Agenda Date: 10/26/2021

Category: Consent Calendar

FROM:

Housing

SUBJECT:

CalHome Program Notice of Available Funding and Application Resolution

RECOMMENDATION:

1. Adopt **Resolution No. 2021-_____** authorizing the submittal of a \$500,000 application to the California State Department of Housing and Community Development (HCD) for funding provided under the CalHome Program Notice of Available Funding (NOFA).
2. Authorize the City Manager to execute any documents necessary or appropriate to complete said application.

COUNCIL GOALS:

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

DISCUSSION:

The Department of Housing and Community Development (HCD) has released a \$57M Notice of Funding Availability (NOFA) in conjunction with the CalHome Program on September 21, 2021. The intent of the CalHome Program is to encourage property rehabilitation and neighborhood revitalization.

This NOFA specifically provides for the rehabilitation of owner-occupied single-family and mobile homes.

The Housing Department is requesting authorization to apply for a \$500,000 allocation of CalHome funds, available through the NOFA process. If awarded, the City of Fontana would utilize the program funds as follows:

- Qualified homes must be located within the City of Fontana.
- Owner-occupied single-family and mobile homes are eligible for assistance. Priority will be given to owner-occupied mobile homes.
- Homeowners must have a combined household income of not more than 80% of median income ("lower" income), adjusted for family size.
- The City of Fontana would provide loans to homeowners in an amount of \$25,000. In cases of extreme hardship, higher amounts may be considered on a case-by-case basis by the Housing Manager.
- Loans will be 20-year, 0% interest and forgiven between years 10 and 20 if it continues to be owner-occupied.
- Loans can only be utilized for property rehabilitation to meet, not for items considered luxury or

non-essential (pools, spas, landscaping enhancements, room additions, etc.).

- It is anticipated that approximately 25-30 loans a year will be funded over a three (3) year period.
- The City of Fontana will be requesting \$500,000 in program assistance from CalHome. Per HCD application requirements, the resolution must be for \$1 million (twice as much of application request).
- The CalHome Application submittal deadline is Monday, November 22nd, 2021.

The CalHome NOFA is a competitive application process, based in part on the City's recent experience in delivering and servicing property rehabilitation programs. For the City of Fontana, that experience includes property rehabilitation projects completed in conjunction with the Federal CDBG Housing Rehabilitation Program that is limited to Single Family homes. This program will allow the City to assist a part of the community that does not qualify for other City programs.

Approval of the resolution and authorization to proceed with the CalHome Application will allow the City of Fontana to offer a rehabilitation loan program for owner-occupied single family and mobile homes to assist in neighborhood revitalization.

FISCAL IMPACT:

If awarded by the State, and approved by the City Council, the applicable revenue and expenditure budgets will be adjusted at one of the quarterly budget meetings.

MOTION:

Approve staff recommendation.

RESOLUTION NO. 2021-

A RESOLUTION OF THE CITY OF FONTANA HEREBY AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE CALHOME PROGRAM; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE CALHOME PROGRAM.

WHEREAS, the City of Fontana wishes to apply for and receive an allocation of funds through the CalHome Program; and

WHEREAS, the California Department of Housing and Community Development (hereinafter referred to as "HCD") has issued a Notice of Funding Availability ("NOFA") on September 21, 2021 for the CalHome program established by Chapter 84, Statutes of 2000 (SB 1656 Alarcon), and codified in Chapter 6 (commencing with Section 50650) of Part 2 of Division 31 of the Health and Safety Code (the "statute"). Pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature to the CalHome program, subject to the terms and conditions of the statute and the CalHome Program Regulations adopted by HCD in April 2004; and

WHEREAS, the City of Fontana wishes to submit an application to obtain from HCD an allocation of CalHome funds in the amount of \$1,000,000.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF FONTANA DOES HEREBY RESOLVE AND FIND AS FOLLOWS:

Section 1. The City of Fontana shall submit to HCD an application to participate in the CalHome Program in response to the NOFA issued on September 21, 2021, which will request a funding allocation for the following activities: To provide loans for Owner-Occupied Rehabilitation Assistance (the rehabilitation of owner-occupied single-family homes). Said loans shall be restricted to families with combined household incomes at or below 80% of the area median income (AMI). The loans shall be for projects located within the city boundaries of the City of Fontana.

Section 2. If the application for funding is approved, the City of Fontana hereby agrees to use the CalHome funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with program regulations cited above. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement. The City of Fontana

acknowledges and agrees that it may be required to execute any and all other instruments necessary or required by HCD for participation in the CalHome Program.

Section 3. The City Council of the City of Fontana authorizes the Interim City Manager (Shannon Yauchzee) to execute in the name of the City of Fontana the application, the Standard Agreement, and any subsequent amendments or modifications thereto, as well as any other documents required by HCD for participation in the CalHome Program, and any amendments thereto.

APPROVED AND ADOPTED this 26th day of October, 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 at a regular meeting on the 12th day of October 2021, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

City Clerk of the City of Fontana

Mayor of the City of Fontana

ATTEST:

City Clerk



City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

City Council Meeting

File #: 21-967

Agenda #: I.

Agenda Date: 10/26/2021

Category: Consent Calendar

FROM: Police Department

SUBJECT: 2022 Selective Traffic Enforcement Program Grant Award (STEP) PT22171

RECOMMENDATION:

1. Accept the State of California Office of Traffic Safety (OTS) 2022 Selective Traffic Enforcement Program (STEP) Grant, number PT22171 in the amount of \$330,000
2. Authorize the Chief of Police to sign the Standard Agreement and any Amendments between the Office of Traffic Safety and the Fontana Police Department
3. Approve the expenditure plan for the use of the funds to help offset the cost of personnel within the Police Department.
4. Approve to increase revenues and appropriation in the amount of \$330.000 to fund #301.

COUNCIL GOALS:

- To improve public safety by emphasizing community-oriented policing and community involvement.
- To improve public safety by utilizing other city programs to help reduce crime.

DISCUSSION:

The Selective Traffic Enforcement Program "STEP" grant is to be funded from funds made available through the State of California's Office of Traffic Safety. All program preparation, training and implementation will be held during the period of October 1, 2021, and September 30, 2022. The program is designed to reduce the number of persons killed and injured in traffic collisions involving impairment and other primary collision factors. Other funded strategies may include public awareness, educational programs, and training for law enforcement.

The funded strategies include:

- Officers will complete Standardized Field Sobriety Testing (SFST) training
- Officers will complete Standardized Field Sobriety Testing (SFST) Instructor Training
- Officers will attend the Advanced Roadside Impaired Driving Enforcement (ARIDE) 16-hour POST certified training
- DUI/DL Checkpoints
- DUI Saturation Patrols will be conducted

- Distracted Driving Enforcement Operations targeting drivers using hand held cell phones and texting will be conducted
- Traffic Enforcement Operations, including but not limited to primary collision factor violations
- Highly publicized Motorcycle Safety Enforcement Operations will be held
- Warrant Service Operations targeting multiple DUI offenders who violate probation terms or fail to appear in court
- Conduct Stakeout Operations that employ police officers to observe the “worst of the worst” repeat DUI offender probationers with suspended or revoked driver licenses
- Participate in the National Distracted Driving Awareness Month in April
- Participate in the statewide Click It or Ticket mobilization period in May
- Collaborate with the county’s Avoid DUI Coalition by participating in all planning and scheduling meetings and MADD/Avoid DUI Seminars

The police department will work to create media opportunities throughout the grant period to call attention to the innovative program strategies and outcomes.

Data gathering and analysis of the program will take place throughout the grant period to include: quarterly performance reports, quarterly evaluation data forms, the final report, claim and executive summary.

FISCAL IMPACT:

The City of Fontana will increase estimated revenues and expenditures in the amount of \$330,000 with the First Quarter Budget Report to match grant award of \$ 330,000 in the OTS 2019 Grant Project # 04032039-301-A.

Expenditure Plan = \$330,000 (Reference Schedule B)

Personnel \$ 324,722

Travel/Training Expense \$ 2,892

Other Direct Costs (Supplies) \$2,386

MOTION:

Approve staff recommendation.

SUBMITTED BY:

APPROVED BY:

William P. Green
Chief of Police

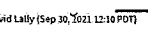
Shannon Yauchzee
Interim City Manager

File #: 21-967

Agenda #: I.

Agenda Date: 10/26/2021

Category: Consent Calendar

1. GRANT TITLE Selective Traffic Enforcement Program (STEP)	
2. NAME OF AGENCY Fontana	3. Grant Period From: 10/01/2021 To: 09/30/2022
4. AGENCY UNIT TO ADMINISTER GRANT Fontana Police Department	
5. GRANT DESCRIPTION Best practice strategies will be conducted to reduce the number of persons killed and injured in crashes involving alcohol and other primary crash factors. The funded strategies may include impaired driving enforcement, enforcement operations focusing on primary crash factors, distracted driving, night-time seat belt enforcement, special enforcement operations encouraging motorcycle safety, enforcement and public awareness in areas with a high number of bicycle and pedestrian crashes, and educational programs. These strategies are designed to earn media attention thus enhancing the overall deterrent effect.	
6. Federal Funds Allocated Under This Agreement Shall Not Exceed: \$330,000.00	
7. TERMS AND CONDITIONS: The parties agree to comply with the terms and conditions of the following which are by this reference made a part of the Agreement: <ul style="list-style-type: none"> Schedule A – Problem Statement, Goals and Objectives and Method of Procedure Schedule B – Detailed Budget Estimate and Sub-Budget Estimate (if applicable) Schedule B-1 – Budget Narrative and Sub-Budget Narrative (if applicable) Exhibit A – Certifications and Assurances Exhibit B* – OTS Grant Program Manual Exhibit C – Grant Electronic Management System (GEMS) Access <p>*Items shown with an asterisk (*), are hereby incorporated by reference and made a part of this agreement as if attached hereto.</p> <p>These documents can be viewed at the OTS home web page under Grants: www.ots.ca.gov.</p> <p>We, the officials named below, hereby swear under penalty of perjury under the laws of the State of California that we are duly authorized to legally bind the Grant recipient to the above described Grant terms and conditions.</p> <p>IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.</p>	
8. Approval Signatures	
A. GRANT DIRECTOR NAME: David Lally TITLE: Sergeant EMAIL: dlally@fontana.org PHONE: (909) 356-3349 ADDRESS: 17005 Upland Ave. Fontana, CA 92335 <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">  (Signature) </div> <div style="text-align: center;"> Sep 30, 2021 (Date) </div> </div>	B. AUTHORIZING OFFICIAL ADDRESS: William Green Chief of Police wgreen@fontana.org (909) 350-7702 17005 Upland Ave. Fontana, CA 92335 <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"> (Signature) </div> <div style="text-align: center;"> (Date) </div> </div>
C. FISCAL OFFICIAL ADDRESS: Leona Kwan Senior Administrative Analyst lkwan@fontana.org (909) 356-7169 17005 Upland Ave. Fontana, CA 92335 <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"> (Signature) </div> <div style="text-align: center;"> (Date) </div> </div>	D. AUTHORIZING OFFICIAL OF OFFICE OF TRAFFIC SAFETY ADDRESS: Barbara Rooney Director barbara.rooney@ots.ca.gov (916) 509-3030 2208 Kausen Drive, Suite 300 Elk Grove, CA 95758 <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"> (Signature) </div> <div style="text-align: center;"> (Date) </div> </div>

E. ACCOUNTING OFFICER OF OFFICE OF TRAFFIC SAFETY NAME: Carolyn Vu ADDRESS: 2208 Kausen Drive, Suite 300 Elk Grove, CA 95758	9. SAM INFORMATION SAM#: WLF8LH1TH3P8 REGISTERED ADDRESS: 8353 Sierra Ave. CITY: Fontana ZIP+4: 92335-3528
--	--

10. PROJECTED EXPENDITURES						
FUND	CFDA	ITEM/APPROPRIATION	F.Y.	CHAPTER	STATUTE	PROJECTED EXPENDITURES
164AL-22.1	20.608	0521-0890-101	2020	6/20	BA/20	\$200,000.00
402PT-22	20.600	0521-0890-101	2021	21/21	BA/21	\$130,000.00
				AGREEMENT TOTAL		\$330,000.00
				AMOUNT ENCUMBERED BY THIS DOCUMENT		\$330,000.00
<i>I CERTIFY upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above.</i>				PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT		\$ 0.00
				TOTAL AMOUNT ENCUMBERED TO DATE		\$330,000.00
OTS ACCOUNTING OFFICER'S SIGNATURE			DATE SIGNED			

1. PROBLEM STATEMENT

As in years past, local statistics exhibit a direct correlation with staffing levels. This remains our greatest problem. Historically, as the Traffic Unit grew in personnel, our fatalities dropped incrementally to an all-time low of 4 in 2009. 2009 represented the highest staffing levels we have achieved to date. Injury crashes of all categories followed this relative arc as well, with only slight variations. Shortly thereafter, our staffing levels began to drop due to budgetary constraints. Since then our fatalities have been on the rise, culminating at 18 in 2018 and remaining consistently high but at a slight decrease at 13 in both 2019 and 2020. Over the course of this time, the unit exhibited a deficit of up to 6 sworn (50% of the unit's contingent) and 3 civilian personnel. While we have never fully recovered from that deficit, it does fluctuate slightly. While slightly dated, this information and the difficulties the situation wrought with regard to traffic safety enforcement are very current and remain relevant as staffing levels have remained our largest struggle city wide. However, we remain ever hopeful that each new year will bring vacancies to an end and possibly much needed growth to the unit which is tasked with Traffic Safety. The Fontana Police Department Administration has worked to fill the existing vacancies and with the exception of the civilian personnel, we briefly (2016) obtained staffing levels as they existed in 2009. Unfortunately, this lasted only a short time. As of this writing we are currently operating with 4 sworn and 1 civilian personnel vacancies. After once again observing the direct correlation in crash data, our local data indicates decreases in many areas recently. This may have to do with our very recent staffing but we remain only cautiously optimistic as it also may prove to early to analyze the true impact of COVID on our roadways.

In addition to our vacancies, our "full staffing" should we re-obtain that level was full staffing for the requirements of 2009. Since then, the population of Fontana has continued to increase steadily. Numbers released in early May 2020 by the California Department of Finance indicate that from 1/1/19-1/1/20 Fontana continued its growth trend, grew by another .33% and sits at 213,000 residents. The growth has slowed slightly from 2015/2016 when we outpaced both the state and county, but the trend remains a steady rise and will most likely continue as is evidenced by the numerous projects for single family and multi-family housing developments which can be seen in various states of construction throughout the city. Fontana is now the 20th largest city in the state and second largest in San Bernardino County. Essentially, our city and our motoring public continue to grow and we have not adequately kept pace.

While we continue our efforts to add full time traffic personnel, grant monies continue to be an important source of funding proactive enforcement. The lack of personnel directly impacts the department's ability to be proactive under normal working conditions. DUI arrests may be used as an example of the importance of proactivity. At the height of our staffing, DUI arrests as a result of a crash were only 10%. As we lost personnel they rose to nearly 30% in 2013 but with additional personnel returning to the unit and the amount of proactive enforcement made possible by OTS, that number dropped back to 10% in 2014 and 2015 and dropped once again to 7% in 2016. Unfortunately, that number skyrocketed in 2017 to 43% of DUI arrests being made as a result of a crash. 2018 indicated a slight reduction, to 11% but once again with the loss of staffing, 2019 shot back up to nearly 38% of DUI coming as a result of a crash rather than being proactive. Happily, we have seen in 2020 the number of DUI arrests as a result of a crash drop back down to just under 10%. This is cause for great celebration but we have not yet accurately found a way to account for the lack of vehicles on the roadway due to the COVID pandemic and how this has affected this indicator. However, this adds fuel to the fire of determination to keep this number down. Officers are acutely aware it is in the proactive hours where the most preventative measures can be taken, and the Traffic Unit lacks the wherewithal to provide the preventative measures it would optimally like to. This remains our greatest hurdle. Grant funding, therefore, remains of the utmost importance and any demonstrable decreases are likely owed to this partnership.

After a spike to 627 in 2013, the total number of injury/fatal traffic crashes in Fontana dropped and remained steady at 562 in 2014 and 559 in 2015 but has climbed back up to 611 in 2016. What is most apparent however, is the number of injuries per crash is on the rise as well. As an example, 694 individuals were injured or killed as a result of 627 crashes in 2013. In 2016, 819 individuals were injured or killed in 611 crashes. It was hoped that 2016 was a peak year as we saw a decline in 2017 to 735 individuals injured or killed as a result of 617 crashes, and 2018 did indicate another decrease with a total of 578 crashes

occurring. However, as this resulted in 765 individuals being injured or killed, it would appear that the magnitude of these crashes remains a problem. This remained true for both 2019 and 2020. While total injury/fatal crashes have continued to decreased to 588 and 491 respectively, the number of individuals injured in these crashes were 768 and 660.

While DUI offenses continue to be a heinous problem and alcohol related crashes continue to injure and claim lives despite our efforts to combat them, this may also be partly explained by the ever present problem of speed as a PCF. Speed violations have consistently topped our list of PCFs and have shown an upward trend in the last few years. This year, crashes with speed as the PCF remained steady at 134. While this is not an increase, this is still a significant problem especially considering the impact of COVID on the number of vehicles on the roadway.

The most recent OTS rankings (2018) have worsened in many areas:

- Total fatal and injury crashes worsened to 40/59 from 43/58.
- Alcohol involved remained relatively consistent at 37/59.
- Motorcycle involved improved to 38/59 from 35/58.
- Pedestrian involved improved to 48/59 from 45/58.
- Bicyclist involved dropped slightly to 45/59 from 46/58.
- Speed related worsened to 30/59 from 32/58.
- Nighttime crashes worsened significantly to 28/59 from 40/58.
- Hit and Run crashes worsened significantly to 30/59 from 43/58. Perhaps most troublesome, is our composite ranking which fell to 28/59 from 43/58. This is our lowest ranking on record and indicates we have much to do. Considering the most recent OTS rankings are from 2018 many of these increases were not surprising considering the drop in staffing. Local data lends itself to more optimism. Based on grant year data from 2019 and 2020, alcohol related injuries continued to decrease from 82 to 67 in 2019 and even further to 38 in 2020. Nighttime injuries climbed slightly to 99 in 2019 but dropped to 65 in 2020. Pedestrian crashes remained steady last year, but a decrease to 20 for both 2019 and 2020 in Motorcycle crashes was demonstrated. As was a decrease from 34 in 2018 to 29 in 2019 to 27 in 2020 for Bicycle involved crashes.

Clearly more work is necessary to stay afloat, decrease crashes and offenses and raise our rankings. The recent decreases could be largely due to the impact of COVID on matters of traffic enforcement and safety. We do not feel it wise to relay on the recent year's data without the consideration that it may be an anomaly. In addition to the stay at home orders decreasing the sheer volume of vehicles on the roadway, like most law enforcement agencies, our department contended with modified staffing and less proactive enforcement during this time. Whether the current trend will hold remains to be seen and officers look forward to every opportunity to put in the effort to ensure it does. The Fontana Police Department seeks to serve the motoring public and the residents of Fontana by increasing both awareness and proactive enforcement in all areas. Currently, the vast majority of traffic crashes and DUI arrests are made by traffic officers, who represent a miniscule percentage of the sworn contingent in the department (roughly 7%). While we seek to remedy this by eventually increasing staffing levels, this small group continues to fight for better and to impart a greater understanding to our motoring neighbors and coworkers of the dangers inherent in these behaviors and what the potential costs to each of us are. Grant funding will assist in meeting our goals to continue the fight for increased traffic safety and awareness.

2. PERFORMANCE MEASURES

A. Goals:

1. Reduce the number of persons killed in traffic crashes.
2. Reduce the number of persons injured in traffic crashes.
3. Reduce the number of pedestrians killed in traffic crashes.
4. Reduce the number of pedestrians injured in traffic crashes.
5. Reduce the number of bicyclists killed in traffic crashes.
6. Reduce the number of bicyclists injured in traffic crashes.
7. Reduce the number of persons killed in alcohol-involved crashes.
8. Reduce the number of persons injured in alcohol-involved crashes.
9. Reduce the number of persons killed in drug-involved crashes.
10. Reduce the number of persons injured in drug-involved crashes.

11. Reduce the number of persons killed in alcohol/drug combo-involved crashes.
12. Reduce the number of persons injured in alcohol/drug combo-involved crashes.
13. Reduce the number of motorcyclists killed in traffic crashes.
14. Reduce the number of motorcyclists injured in traffic crashes.
15. Reduce hit & run fatal crashes.
16. Reduce hit & run injury crashes.
17. Reduce nighttime (2100 - 0259 hours) fatal crashes.
18. Reduce nighttime (2100 - 0259 hours) injury crashes.

B. Objectives:	Target Number
1. Issue a press release announcing the kick-off of the grant by November 15. The kick-off press releases and media advisories, alerts, and materials must be emailed to the OTS Public Information Officer at pio@ots.ca.gov , and copied to your OTS Coordinator, for approval 14 days prior to the issuance date of the release.	1
2. Participate and report data (as required) in the following campaigns, National Walk to School Day, National Teen Driver Safety Week, NHTSA Winter Mobilization, National Distracted Driving Awareness Month, National Motorcycle Safety Month, National Bicycle Safety Month, National Click it or Ticket Mobilization, NHTSA Summer Mobilization, National Child Passenger Safety Week, and California's Pedestrian Safety Month.	10
3. Develop (by December 31) and/or maintain a "HOT Sheet" program to notify patrol and traffic officers to be on the lookout for identified repeat DUI offenders with a suspended or revoked license as a result of DUI convictions. Updated HOT sheets should be distributed to patrol and traffic officers monthly.	12
4. Send law enforcement personnel to the NHTSA Standardized Field Sobriety Testing (SFST) (minimum 16 hours) POST-certified training.	10
5. Send law enforcement personnel to the NHTSA Advanced Roadside Impaired Driving Enforcement (ARIDE) 16 hour POST-certified training.	4
6. Send law enforcement personnel to the Drug Recognition Expert (DRE) training.	2
7. Send law enforcement personnel to SFST Instructor training.	1
8. Conduct DUI/DL Checkpoints. A minimum of 1 checkpoint should be conducted during the NHTSA Winter Mobilization and 1 during the Summer Mobilization. To enhance the overall deterrent effect and promote high visibility, it is recommended the grantee issue an advance press release and conduct social media activity for each checkpoint. For combination DUI/DL checkpoints, departments should issue press releases that mention DL's will be checked at the DUI/DL checkpoint. Signs for DUI/DL checkpoints should read "DUI/Driver's License Checkpoint Ahead." OTS does not fund or support independent DL checkpoints. Only on an exception basis and with OTS pre-approval will OTS fund checkpoints that begin prior to 1800 hours. When possible, DUI/DL Checkpoint screeners should be DRE- or ARIDE-trained.	15
9. Conduct DUI Saturation Patrol operation(s).	14
10. Conduct Warrant Service operation(s) targeting multiple DUI offenders who fail to appear in court.	2
11. Conduct Traffic Enforcement operation(s), including but not limited to, primary crash factor violations.	30
12. Conduct highly publicized Distracted Driving enforcement operation(s) targeting drivers using hand held cell phones and texting.	12
13. Conduct highly publicized Motorcycle Safety enforcement operation(s) in areas or during events with a high number of motorcycle incidents or crashes resulting from unsafe speed, DUI, following too closely, unsafe lane changes, improper turning, and other primary crash factor violations by motorcyclists and other drivers.	10
14. Conduct Nighttime (1800-0559) Click It or Ticket enforcement operation(s).	6
15. Conduct highly publicized pedestrian and/or bicycle enforcement operation(s) in areas or during events with a high number of pedestrian and/or bicycle crashes resulting from violations made by pedestrians, bicyclists, and drivers.	16

16. Conduct Traffic Safety educational presentation(s) with an effort to reach community members. Note: Presentation(s) may include topics such as distracted driving, DUI, speed, bicycle and pedestrian safety, seat belts and child passenger safety.	2
17. Conduct highly visible collaborative DUI Enforcement operations	4
18. Conduct highly visible collaborative Traffic Enforcement operations	3
3. METHOD OF PROCEDURE	
A. Phase 1 – Program Preparation (1st Quarter of Grant Year)	
<ul style="list-style-type: none"> The department will develop operational plans to implement the “best practice” strategies outlined in the objectives section. All training needed to implement the program should be conducted this quarter. All grant related purchases needed to implement the program should be made this quarter. In order to develop/maintain the “Hot Sheets,” research will be conducted to identify the “worst of the worst” repeat DUI offenders with a suspended or revoked license as a result of DUI convictions. The Hot Sheets may include the driver’s name, last known address, DOB, description, current license status, and the number of times suspended or revoked for DUI. Hot Sheets should be updated and distributed to traffic and patrol officers at least monthly. Implementation of the STEP grant activities will be accomplished by deploying personnel at high crash locations. <u>Media Requirements</u> Issue a press release approved by the OTS PIO announcing the kick-off of the grant by November 15, but no sooner than October 1. The kick-off release must be approved by the OTS PIO and only distributed after the grant is fully signed and executed. If you are unable to meet the November 15 deadline to issue a kick-off press release, communicate reasons to your OTS coordinator and OTS PIO. 	
B. Phase 2 – Program Operations (Throughout Grant Year)	
<ul style="list-style-type: none"> The department will work to create media opportunities throughout the grant period to call attention to the innovative program strategies and outcomes. 	
<u>Media Requirements</u>	
The following requirements are for all grant-related activities.	
<ul style="list-style-type: none"> Send all media advisories, alerts, videos, graphics, artwork, posters, radio/PSA/video scripts, storyboards, digital and/or print educational materials for grant-related activities to the OTS PIO at pio@ots.ca.gov for approval and copy your OTS coordinator. Optimum lead time would be 7 days before the scheduled release but at least 3 business days prior to the scheduled release date for review and approval is appreciated. The OTS PIO is responsible for the approval of the design and content of materials. The agency understands OTS PIO approval is not authorizing approval of budget expenditure or cost. Any cost approvals must come from the Coordinator. Pre-approval is not required when using any OTS-supplied template for media advisories, press releases, social media graphics, videos or posts, or any other OTS-supplied educational material. However, copy the OTS PIO at pio@ots.ca.gov and your OTS coordinator when any material is distributed to the media and public, such as a press release, educational material, or link to social media post. The OTS-supplied kick-off press release templates and any kickoff press releases are an exception to this policy and require prior approval before distribution to the media and public. If an OTS-supplied template, educational material, social media graphic, post or video is substantially changed, the changes shall be sent to the OTS PIO at pio@ots.ca.gov for approval and copy to your OTS Coordinator. Optimum lead time would be 7 days prior to the scheduled release date, but at least 3 business days prior to the scheduled release date for review and approval is appreciated. Press releases, social media posts and alerts on platforms such as NextDoor and Nixle reporting immediate and time-sensitive grant activities (e.g. enforcement operations, day of event highlights or announcements, event invites) are exempt from the OTS PIO approval process. The OTS PIO and your Coordinator should still be notified when the grant-related activity is happening (e.g. car seat checks, bicycle rodeos, community presentations, DUI checkpoints, etc.). Enforcement activities such as warrant and probation sweeps, court stings, etc. that are embargoed or could impact operations by publicizing in advance are exempt from the PIO 	

approval process. However, announcements and results of activities should still be copied to the OTS PIO at pio@ots.ca.gov and your Coordinator with embargoed date and time or with "INTERNAL ONLY: DO NOT RELEASE" message in subject line of email.

- Any earned or paid media campaigns for TV, radio, digital or social media that are part of a specific grant objective, using OTS grant funds, or designed and developed using contractual services by a subgrantee, requires prior approval. Please send to the OTS PIO at pio@ots.ca.gov for approval and copy your grant coordinator at least 3 business days prior to the scheduled release date.
- Social media posts highlighting state or national traffic safety campaigns (Distracted Driving Month, Motorcycle Safety Awareness Month, etc.), enforcement operations (DUI checkpoints, etc.), or any other grant-related activity such as Bicycle rodeos, presentations, or events, are highly encouraged but do not require prior approval.
- Submit a draft or rough-cut of all digital, printed, recorded or video material (brochures, posters, scripts, artwork, trailer graphics, digital graphics, social posts connected to an earned or paid media campaign grant objective) to the OTS PIO at pio@ots.ca.gov and copy your OTS Coordinator for approval prior to the production or duplication.
- Use the following standard language in all press, media, and printed materials, space permitting: Funding for this program was provided by a grant from the California Office of Traffic Safety, through the National Highway Traffic Safety Administration.
- Space permitting, include the OTS logo on all grant-funded print materials, graphics and paid or earned social media campaign grant objective; consult your OTS Coordinator for specifics, format-appropriate logos, or if space does not permit the use of the OTS logo.
- Email the OTS PIO at pio@ots.ca.gov and copy your OTS Coordinator at least 21 days in advance, or when first confirmed, a short description of any significant grant-related traffic safety event or program, particularly events that are highly publicized beforehand with anticipated media coverage so OTS has sufficient notice to arrange for attendance and/or participation in the event. If unable to attend, email the OTS PIO and coordinator brief highlights and/or results, including any media coverage (broadcast, digital, print) of event within 7 days following significant grant-related event or program. Media and program highlights are to be reflected in QPRs.
- Any press releases, work plans, scripts, storyboards, artwork, graphics, videos or any educational or informational materials that received PIO approval in a prior grant year needs to be resubmitted for approval in the current grant year.
- Contact the OTS PIO or your OTS Coordinator for consultation when changes from any of the above requirements might be warranted.

C. Phase 3 – Data Collection & Reporting (Throughout Grant Year)

1. Prepare and submit invoice claims (due January 30, April 30, July 30, and October 30).
2. Prepare and submit Quarterly Performance Reports (QPR) (due January 30, April 30, July 30, and October 30).
 - Collect and report quarterly, appropriate data that supports the progress of goals and objectives.
 - Provide a brief list of activity conducted, procurement of grant-funded items, and significant media activities. Include status of grant-funded personnel, status of contracts, challenges, or special accomplishments.
 - Provide a brief summary of quarterly accomplishments and explanations for objectives not completed or plans for upcoming activities.
 - Collect, analyze and report statistical data relating to the grant goals and objectives.

4. METHOD OF EVALUATION

Using the data compiled during the grant, the Grant Director will complete the "Final Evaluation" section in the fourth/final Quarterly Performance Report (QPR). The Final Evaluation should provide a brief summary of the grant's accomplishments, challenges and significant activities. This narrative should also include whether goals and objectives were met, exceeded, or an explanation of why objectives were not completed.

5. ADMINISTRATIVE SUPPORT

This program has full administrative support, and every effort will be made to continue the grant activities after grant conclusion.

FUND NUMBER	CATALOG NUMBER (CFDA)	FUND DESCRIPTION	TOTAL AMOUNT
164AL-22	20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	\$200,000.00
402PT-22	20.600	State and Community Highway Safety	\$130,000.00

COST CATEGORY	FUND NUMBER	UNIT COST OR RATE	UNITS	TOTAL COST TO GRANT
A. PERSONNEL COSTS				
<u>Straight Time</u>				\$0.00
<u>Overtime</u>				
DUI/DL Checkpoints	164AL-22	\$10,558.00	15	\$158,370.00
DUI Saturation Patrols	164AL-22	\$1,200.00	14	\$16,800.00
Warrant Service Operations	164AL-22	\$5,814.00	2	\$11,628.00
Collaborative DUI Enforcement	164AL-22	\$2,704.00	4	\$10,816.00
Traffic Enforcement	402PT-22	\$1,648.00	30	\$49,440.00
Distracted Driving	402PT-22	\$1,648.00	12	\$19,776.00
Motorcycle Safety	402PT-22	\$1,099.00	10	\$10,990.00
Night-time Click It Or Ticket	402PT-22	\$1,521.00	6	\$9,126.00
Pedestrian and Bicycle Enforcement	402PT-22	\$1,648.00	16	\$26,368.00
Traffic Safety Education	402PT-22	\$1,648.00	2	\$3,296.00
Collaborative Traffic Enforcement	402PT-22	\$2,704.00	3	\$8,112.00
Category Sub-Total				\$324,722.00
B. TRAVEL EXPENSES				
In State Travel	402PT-22	\$2,892.00	1	\$2,892.00
				\$0.00
Category Sub-Total				\$2,892.00
C. CONTRACTUAL SERVICES				
				\$0.00
Category Sub-Total				\$0.00
D. EQUIPMENT				
				\$0.00
Category Sub-Total				\$0.00
E. OTHER DIRECT COSTS				
DUI Checkpoint Supplies	164AL-22	\$2,386.00	1	\$2,386.00
Category Sub-Total				\$2,386.00
F. INDIRECT COSTS				
				\$0.00
Category Sub-Total				\$0.00
GRANT TOTAL				\$330,000.00

BUDGET NARRATIVE	
PERSONNEL COSTS	
DUI/DL Checkpoints - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.	
DUI Saturation Patrols - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.	
Warrant Service Operations - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.	
Collaborative DUI Enforcement - Overtime for grant funded Collaborative DUI Enforcement operations conducted by appropriate department personnel	
Traffic Enforcement - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.	
Distracted Driving - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.	
Motorcycle Safety - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.	
Night-time Click It Or Ticket - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.	
Pedestrian and Bicycle Enforcement - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.	
Traffic Safety Education - Overtime for grant funded traffic safety presentations or campaigns conducted by appropriate department personnel.	
Collaborative Traffic Enforcement - Overtime for grant funded Collaborative Traffic Enforcement operations conducted by appropriate department personnel	
TRAVEL EXPENSES	
In State Travel - Costs are included for appropriate staff to attend conferences and training events supporting the grant goals and objectives and/or traffic safety. Local mileage for grant activities and meetings is included. All conferences, seminars or training not specifically identified in the Budget Narrative must be approved by OTS. All travel claimed must be at the agency approved rate. Per Diem may not be claimed for meals provided at conferences when registration fees are paid with OTS grant funds.	
CONTRACTUAL SERVICES	
-	
EQUIPMENT	
-	
OTHER DIRECT COSTS	
DUI Checkpoint Supplies - On-scene supplies needed to conduct sobriety checkpoints. Costs may include 28" traffic cones, MUTCD compliant traffic signs, MUTCD compliant high visibility vests (maximum of 10), traffic counters (maximum of 2), generator, gas for generators, lighting, reflective banners, electronic flares, PAS device supplies, heater, propane for heaters, fan, anti-fatigue mats, and canopies. Additional items may be purchased if approved by OTS. The cost of food and beverages will not be reimbursed.	

INDIRECT COSTS

-

STATEMENTS/DISCLAIMERS

There will be no program income generated from this grant.

Nothing in this "agreement" shall be interpreted as a requirement, formal or informal, that a particular law enforcement officer issue a specified or predetermined number of citations in pursuance of the goals and objectives here under.

CERTIFICATIONS AND ASSURANCES FOR HIGHWAY SAFETY GRANTS
(23 U.S.C. Chapter 4; Sec. 1906, Pub. L. 109-59, As Amended By Sec. 4011, Pub. L. 114-94)

The officials named on the grant agreement, certify by way of signature on the grant agreement signature page, that the Grantee Agency complies with all applicable Federal statutes, regulations, and directives and State rules, guidelines, policies and laws in effect with respect to the periods for which it receives grant funding. Applicable provisions include, but are not limited to, the following:

GENERAL REQUIREMENTS

- 23 U.S.C. Chapter 4 – Highway Safety Act of 1966, as amended
- Sec. 1906, Pub. L. 109-59, as amended by Sec. 4011, Pub. L. 114-94
- 23 CFR part 1300 – Uniform Procedures for State Highway Safety Grant Programs
- 2 CFR part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 2 CFR part 1201 – Department of Transportation, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

NONDISCRIMINATION

(applies to subrecipients as well as States)

The State highway safety agency will comply with all Federal statutes and implementing regulations relating to nondiscrimination ("Federal Nondiscrimination Authorities"). These include but are not limited to:

- **Title VI of the Civil Rights Act of 1964** (42 U.S.C. 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin) and 49 CFR part 21;
- **The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970**, (42 U.S.C. 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- **Federal-Aid Highway Act of 1973**, (23 U.S.C. 324 *et seq.*), and **Title IX of the Education Amendments of 1972**, as amended (20 U.S.C. 1681-1683 and 1685-1686) (prohibit discrimination on the basis of sex);
- **Section 504 of the Rehabilitation Act of 1973**, (29 U.S.C. 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability) and 49 CFR part 27;
- **The Age Discrimination Act of 1975**, as amended, (42 U.S.C. 6101 *et seq.*), (prohibits discrimination on the basis of age);
- **The Civil Rights Restoration Act of 1987**, (Pub. L. 100-209), (broadens scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal aid recipients, subrecipients and contractors, whether such programs or activities are Federally-funded or not);
- **Titles II and III of the Americans with Disabilities Act** (42 U.S.C. 12131-12189) (prohibits discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing) and 49 CFR parts 37 and 38;
- **Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations** (prevents discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations); and
- **Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency** (guards against Title VI national origin discrimination/discrimination because of limited English proficiency (LEP) by ensuring that funding recipients take reasonable steps to ensure that LEP persons have meaningful access to programs (70 FR 74087-74100).

The Subgrantee-

- Will take all measures necessary to ensure that no person in the United States shall, on the grounds of race, color, national origin, disability, sex, age, limited English proficiency, or membership in any other class protected by Federal Nondiscrimination Authorities, be excluded from participation in, be denied the benefits of,

or be otherwise subjected to discrimination under any of its programs or activities, so long as any portion of the program is Federally-assisted;

- Will administer the program in a manner that reasonably ensures that any of its subrecipients, contractors, subcontractors, and consultants receiving Federal financial assistance under this program will comply with all requirements of the Non-Discrimination Authorities identified in this Assurance;
- Agrees to comply (and require its subrecipients, contractors, subcontractors, and consultants to comply) with all applicable provisions of law or regulation governing US DOT's or NHTSA's access to records, accounts, documents, information, facilities, and staff, and to cooperate and comply with any program or compliance reviews, and/or complaint investigations conducted by US DOT or NHTSA under any Federal Nondiscrimination Authority;
- Acknowledges that the United States has a right to seek judicial enforcement with regard to any matter arising under these Non-Discrimination Authorities and this Assurance;
- Agrees to insert in all contracts and funding agreements with other State or private entities the following clause:

"During the performance of this contract/funding agreement, the contractor/funding recipient agrees—

- a. To comply with all Federal nondiscrimination laws and regulations, as may be amended from time to time;
- b. Not to participate directly or indirectly in the discrimination prohibited by any Federal non-discrimination law or regulation, as set forth in appendix B of 49 CFR part 21 and herein;
- c. To permit access to its books, records, accounts, other sources of information, and its facilities as required by the State highway safety office, US DOT or NHTSA;
- d. That, in event a contractor/funding recipient fails to comply with any nondiscrimination provisions in this contract/funding agreement, the State highway safety agency will have the right to impose such contract/agreement sanctions as it or NHTSA determine are appropriate, including but not limited to withholding payments to the contractor/funding recipient under the contract/agreement until the contractor/funding recipient complies; and/or cancelling, terminating, or suspending a contract or funding agreement, in whole or in part; and
- e. To insert this clause, including paragraphs (a) through (e), in every subcontract and sub agreement and in every solicitation for a subcontract or sub-agreement, that receives Federal funds under this program.

POLITICAL ACTIVITY (HATCH ACT)

(applies to subrecipients as well as States)

The State will comply with provisions of the Hatch Act (5 U.S.C. 1501-1508), which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

CERTIFICATION REGARDING FEDERAL LOBBYING

(applies to subrecipients as well as States)

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of

any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;

3. The undersigned shall require that the language of this certification be included in the award documents for all sub-award at all tiers (including subcontracts, subgrants, and contracts under grant, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

RESTRICTION ON STATE LOBBYING

(applies to subrecipients as well as States)

None of the funds under this program will be used for any activity specifically designed to urge or influence a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body. Such activities include both direct and indirect (e.g., "grassroots") lobbying activities, with one exception. This does not preclude a State official whose salary is supported with NHTSA funds from engaging in direct communications with State or local legislative officials, in accordance with customary State practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

(applies to subrecipients as well as States)

Instructions for Primary Tier Participant Certification (States)

1. By signing and submitting this proposal, the prospective primary tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1200.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective primary tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary tier participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default or may pursue suspension or debarment.

4. The prospective primary tier participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary tier participant learns its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms *covered transaction*, *civil judgment*, *debarment*, *suspension*, *ineligible*, *participant*, *person*, *principal*, and *voluntarily excluded*, as used in this clause, are defined in 2 CFR parts 180 and 1200. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

6. The prospective primary tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person

who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Participant Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1200.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website (<https://www.sam.gov/>).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, the department or agency may terminate the transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters-Primary Tier Covered Transactions

(1) The prospective primary tier participant certifies to the best of its knowledge and belief, that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;
- (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or Local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
- (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

(2) Where the prospective primary tier participant is unable to certify to any of the Statements in this certification, such prospective participant shall attach an explanation to this proposal.

Instructions for Lower Tier Participant Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1200.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered in to. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal government, the

department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms *covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded*, as used in this clause, are defined in 2 CFR parts 180 and 1200. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Participant Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1200.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website (<https://www.sam.gov/>).

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transactions:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

BUY AMERICA ACT

(applies to subrecipients as well as States)

The State and each subrecipient will comply with the Buy America requirement (23 U.S.C. 313) when purchasing items using Federal funds. Buy America requires a State, or subrecipient, to purchase with Federal funds only steel, iron and manufactured products produced in the United States, unless the Secretary of Transportation determines that such domestically produced items would be inconsistent with the public interest, that such materials are not reasonably available and of a satisfactory quality, or that inclusion of domestic materials will increase the cost of the overall project contract by more than 25 percent. In order to use Federal

funds to purchase foreign produced items, the State must submit a waiver request that provides an adequate basis and justification for approval by the Secretary of Transportation.

PROHIBITION ON USING GRANT FUNDS TO CHECK FOR HELMET USAGE

(applies to subrecipients as well as States)

The State and each subrecipient will not use 23 U.S.C. Chapter 4 grant funds for programs to check helmet usage or to create checkpoints that specifically target motorcyclists.

POLICY ON SEAT BELT USE

In accordance with Executive Order 13043, Increasing Seat Belt Use in the United States, dated April 16, 1997, the Grantee is encouraged to adopt and enforce on-the-job seat belt use policies and programs for its employees when operating company-owned, rented, or personally-owned vehicles. The National Highway Traffic Safety Administration (NHTSA) is responsible for providing leadership and guidance in support of this Presidential initiative. For information and resources on traffic safety programs and policies for employers, please contact the Network of Employers for Traffic Safety (NETS), a public-private partnership dedicated to improving the traffic safety practices of employers and employees. You can download information on seat belt programs, costs of motor vehicle crashes to employers, and other traffic safety initiatives at www.trafficsafety.org. The NHTSA website (www.nhtsa.gov) also provides information on statistics, campaigns, and program evaluations and references.

POLICY ON BANNING TEXT MESSAGING WHILE DRIVING

In accordance with Executive Order 13513, Federal Leadership On Reducing Text Messaging While Driving, and DOT Order 3902.10, Text Messaging While Driving, States are encouraged to adopt and enforce workplace safety policies to decrease crashes caused by distracted driving, including policies to ban text messaging while driving company-owned or rented vehicles, Government-owned, leased or rented vehicles, or privately-owned vehicles when on official Government business or when performing any work on or behalf of the Government. States are also encouraged to conduct workplace safety initiatives in a manner commensurate with the size of the business, such as establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving, and education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

INSTRUCTIONS FOR ADDING OR UPDATING GEMS USERS

1. Each agency is allowed a total of **FIVE (5) GEMS Users**.
2. GEMS Users listed on this form will be authorized to login to GEMS to complete and submit Quarterly Performance Reports (QPRs) and reimbursement claims.
3. Complete the form if adding, removing or editing a GEMS user(s).
4. The Grant Director must sign this form and return it with the Grant Agreement.

GRANT DETAILS

Grant Number:	PT22171
Agency Name:	Fontana Police Department
Grant Title:	Selective Traffic Enforcement Program (STEP)
Agreement Total:	\$330,000.00
Authorizing Official:	William Green
Fiscal Official:	Leona Kwan
Grant Director:	David Lally

CURRENT GEMS USER(s)

1. Bonnie Edwards

Title: Traffic Community Policing Technician

Media Contact: Yes

Phone: 909-350-7770

Email: bedwards@fontana.org

GEMS User 1		Add as a media contact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Add/Change <input checked="" type="checkbox"/>	Remove Access <input type="checkbox"/>	
Bonnie Edwards		Community Policing Techni
Name	Job Title	
bedwards@fontana.org	(909) 350-7770	
Email address	Phone number	
GEMS User 2		Add as a media contact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Add/Change <input checked="" type="checkbox"/>	Remove Access <input type="checkbox"/>	
David Lally		Traffic Sergeant
Name	Job Title	
dlally@fontana.org	(909) 350-7771	
Email address	Phone number	
GEMS User 3		Add as a media contact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Add/Change <input checked="" type="checkbox"/>	Remove Access <input type="checkbox"/>	
Leona Kwan		Senior Administrative Analy
Name	Job Title	
lkwan@fontana.org	(909) 356-7169	
Email address	Phone number	
GEMS User 4		Add as a media contact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Add/Change <input checked="" type="checkbox"/>	Remove Access <input type="checkbox"/>	
William Green		Chief Of Police
Name	Job Title	
bgreen@fontana.org	(909) 350-7702	
Email address	Phone number	
GEMS User 5		Add as a media contact? Yes <input type="checkbox"/> No <input type="checkbox"/>
Add/Change <input type="checkbox"/>	Remove Access <input type="checkbox"/>	
Name	Job Title	
Email address		Phone number
Form completed by: <u>Bonnie Edwards</u> <small>Bonnie Edwards (Sep 29, 2021 17:14 PDT)</small>		
Date: Sep 29, 2021		
As a signatory I hereby authorize the listed individual(s) to represent and have GEMS user access.		
<u>David Lally</u> <small>David Lally (Sep 30, 2021 12:10 PDT)</small>		David Lally
Signature	Name	
Sep 30, 2021	Grant Director	
Date	Title	



City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

City Council Meeting

File #: 21-989

Agenda #: J.

Agenda Date: 10/26/2021

Category: Consent Calendar

FROM:

Management Services

SUBJECT:

OPEB/Pension 115 Trust Funding

RECOMMENDATION:

Authorize the Deputy City Manager to execute agreements with Shuster Advisory Group LLC, Charles Schwab Trust Bank, and Alta Trust Company to create 115 trust accounts for the funding of Future OPEB Liabilities and Pension Funding for Future Obligations and have Shuster provide professional investment advisory services for the investment portfolios.

COUNCIL GOALS:

- To practice sound fiscal management by producing timely and accurate financial information.
- To practice sound fiscal management by living within our means while investing in the future.
- To practice sound fiscal management by fully funding liabilities and reserves.
- To practice sound fiscal management by developing long-term funding and debt management plans.

Discussion:

Staff manages the City's investment portfolios for both the OPEB funding (approx. \$25m) and Pension funding for future obligations (approx. \$5.9m) and is also charged with the task of running the financial operations of the city. Therefore, the management of approximately \$31 million of funds deserves time and expertise that is not consistently available, and which is particularly important now due to the pandemic and uncertainty of the 10-year treasury. An investment advisor will provide the expertise and exposure to current market conditions that are necessary to make informed investment decisions especially during these unprecedented times. The utilization of a Section 115 Integral Part Trust allows the investment amounts to be used specifically for the OPEB and Pension purposes while also allowing additional investment options not otherwise available if the city continues to directly manage these pools of assets.

Section 115 Integral Part Trust:

The city provides full-time employees with a defined benefit pension through the California Public Employee's Retirement System (CalPERS) and pays other post-employment benefits (OPEB) to certain retirees or a group of retirees for health care costs. Most Cities "pay-as-

you-go”, meaning that annually, they try to estimate these costs (using actuarial firms) and budget annually for the expense. CalPERS has significantly changed the methodology for calculating the Annual Required Contributions (ARC) in regard to amortizing the Unfunded Actuarial Accrued Liability (UAAL). Until recently, the only option for reducing the UAAL was to commit additional funds to CalPERS, subject to the same CalPERS investment returns. Furthermore, funds deposited with CalPERS are not accessible to the City for other pension expenses. The increased need of funding the requirement of CalPERS as well as the increasing number of retirees receiving health and other benefits is putting fiscal pressure on the city. As the retiree population grows, the cost of retiree benefit costs also grows proportionately. With a pay as you go basis, there are no assets to offset liabilities that accumulate over the working lifetime of employees. As a result, Cities face rising unfunded pension liability (“UAL”) and retiree medical costs. The City has been investing assets to offset these future liabilities, but a Section 115 Trust is a more prudent approach to funding for the future expenses and protecting the City’s assets.

A Section 115 Trust is a vehicle authorized by the Internal Revenue Code (IRC) which allows an agency to segregate funds from general assets for the purpose of funding an essential government function (e.g., pension and post-employment obligations). Funds placed in a Section 115 Trust are irrevocably committed for the specific government function specific in the applicable trust agreement. Additionally, monies held in such trusts can be invested in accordance with the rules governing those trusts, which are different than the investment rules for the City’s pooled investments. Setting aside funds in a Section 115 Trust, can potentially earn a higher rate of return than if funds were invested with the city.

Establishing a Section 115 Trust to prefund pension and OPEB obligations is a best practice recommended by the Government Finance Officers Association (GFOA). Some of the benefits that a Section 115 Trust program can provide for cities include utilizing these trusts as a budget stabilization tool, improving the cities’ overall credit rating, an opportunity to earn higher investment returns, and decrease risks through diversification of plan assets using different asset management approaches. Additionally, given Governmental Accounting Standards Board (GASB) Statement, GASB No. 75, which requires that cities recognize OPEB liabilities on their balance sheet, establishing a trust will allow the city to recognize the assets set aside to reduce its UAL.

Additionally, the investment restrictions that apply to the general fund of a city (CA Government Code 53601) do not apply to the assets held in an Irrevocable Section 115 Trust, allowing for much more flexibility for the investment strategy.

Cities can use different approaches to funding the 115 Trust, including an annual budgeted amount, funding when a budget surplus is experienced, more rarely a bond issuance to address the issue, or a combination of these approaches.

FISCAL IMPACT:

The total combined fee of 19 basis points (0.19%) of the portfolio balance ($0.19\% \times \$31 \text{ million} = \$58,900$) will be netted against investment earnings and allocated to each trust account based on their investment balance. There is no direct fiscal impact to the city and the 0.19% is expected to be more than offset by the additional earnings alpha above what the

city could return using the traditional investment vehicles allowed by the Code, resulting in projected positive future fiscal impacts.

MOTION:

Approve staff recommendation.



City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

City Council Meeting

File #: 21-983

Agenda #: K.

Agenda Date: 10/26/2021

Category: Consent Calendar

FROM:

Management Services

SUBJECT:

Fiscal Year 2021/22 First Quarter Budget Status Report

RECOMMENDATION:

1. Approve the recommended Fiscal Year 2021/2022 First Quarter Budget adjustments
2. Adopt **Resolution No. 2021- _____** of the City Council of the City of Fontana adopting revised job descriptions for specific classifications throughout the City
3. Adopt **Resolution No. 2021 - _____** of the City Council of the City of Fontana adopting the updated job description and salary range for the classification of Police Communications Supervisor and the updated Management Confidential Salary Table

COUNCIL GOALS:

- To operate in a businesslike manner by ensuring that the public debate is based on accurate information.
- To practice sound fiscal management by producing timely and accurate financial information.
- To practice sound fiscal management by living within our means while investing in the future.

DISCUSSION:

The Management Service Department prepares quarterly budget updates for the City Council. The purpose of the City's First Quarter Budget Status Report is to:

1. Report on the results of the prior fiscal year;
2. Comment on significant economic trends;
3. Recommend budget changes to address known budget deficiencies which will materially impact fund balance; and
4. Recommend the reappropriation of prior year project budgets that were not completed as of June 30.

Key Points from the First Quarter Budget Status Report include:

General Fund:

The City of Fontana ended Fiscal Year 2020/21 with a positive budget variance of \$15.2 million.

- The PERS Reserve has been increased by \$5,017,000 bringing the balance to \$10.9 million.
- Expenditure Control Budget (ECB) reserve used to fill the budget gap during FY2019-20 revenue reductions related to the pandemic has been reinstated with \$1,638,255 reflecting one

-half of non-personnel departmental savings from FY2020/21.

- Economic Uncertainty Reserve has been increased by \$954,943 bringing the balance to \$9.5 million.
- Carryover purchase orders from the prior fiscal year total \$1,150,385.

Other Funds:

- Additional funding for the following projects:
 - \$3,428,000 Various Traffic Signal Projects throughout the City (Measure I 2010-2040 Local Fund #246)
 - \$2,890,000 Jurupa Ave Landscape Median Project (Landscape Medians Fund #633)
 - \$2,780,000 Sierra: Foothill-Baseline Arterial Proj (Measure I 2010-40 Fund #245 & Circ. Mitigation Fund #630)
 - \$2,633,658 Home-ARP TBD Project (Home Fund #363)
 - \$2,000,000 Etiwanda/Slover Arterial Project (Measure I 2010-40 Fund #245 & Circulation Mitigation Fund #630)
 - \$ 135,295 Microgrid Project (Future Capital Projects Fund #603)
 - \$ 130,000 Foothill: Hemlock-Almeria Arterial Proj (Measure I 2010-40 Fund #245 & Circ. Mitigation Fund #630)
 - \$ 30,000 Alder-Locust-Ramona SRTS Project (Air Quality Management District Fund #241)
- This report also recommends the reappropriation of \$130.5 million of prior year project budgets that were not completed as of June 30.

FISCAL IMPACT:

The requested actions will impact City funds as outlined in the First Quarter Budget Status Report and supporting schedules.

MOTION:

Approve staff recommendation.



City of Fontana

First Quarter Budget Status Report *Fiscal Year 2021/2022*

Quick Look Indicators	First Quarter	See Page
Revenues	↑	8
Expenditures	↑	9
Fund Balance	↑	12

Management Services Department

October 26, 2021

Table of Contents

Report Objectives	3
Summary of Key Points	4
Results of General Fund Operations for Prior Fiscal Year	5
Significant Economic Trends	6
Summary of Proposed General Fund Adjustments.....	7
General Fund Revenues.....	8
General Fund Expenditures	9
Carryover Projects	10
Expenditure Control Budgeting.....	11
Fund Balance Review	12
Organizational Changes.....	13
Liability Claims	14
Conclusion.....	15
Schedules:	
General Fund – Fund Balance Reconciliation	16
Unreserved Fund Balance – Other Funds.....	17
Recommended Adjustments – General Fund.....	23
Recommended Adjustments – Other Funds	26

Report Objectives

The purpose of the First Quarter Budget Status Report is to:

- Report on the results of the prior fiscal year;
- Comment on significant economic trends;
- Recommend budget changes to address known budget deficiencies which will materially impact fund balance; and
- Recommend the reappropriation of prior year project budgets that were not completed as of June 30.

Summary of Key Points

General Fund

- The City of Fontana ended Fiscal Year 2020/21 with a positive budget variance of \$15.2 million.
- The PERS Reserve has been increased by \$5,017,000 bringing the balance to \$10.9 million.
- Expenditure Control Budget (ECB) reserve used to fill the budget gap during FY2019-20 revenue reductions related to the pandemic has been reinstated with \$1,638,255 reflecting one-half of non-personnel departmental savings from FY2020/21.
- Economic Uncertainty Reserve has been increased by \$954,943 bringing the balance to \$9.5 million.
- Carryover purchase orders from the prior fiscal year total \$1,150,385.

Other Funds

- Additional funding for the following projects:
 - \$3,428,000 Various Traffic Signal Projects throughout the City (Measure I 2010-2040 Local Fund #246)
 - \$2,890,000 Jurupa Ave Landscape Median Project (Landscape Medians Fund #633)
 - \$2,780,000 Sierra: Foothill-Baseline Arterial Proj (Measure I 2010-40 Fund #245 & Circ. Mitigation Fund #630)
 - \$2,633,658 Home-ARP TBD Project (Home Fund #363)
 - \$2,000,000 Etiwanda/Slover Arterial Project (Measure I 2010-40 Fund #245 & Circulation Mitigation Fund #630)
 - \$ 135,295 Microgrid Project (Future Capital Projects Fund #603)
 - \$ 130,000 Foothill: Hemlock-Almeria Arterial Proj (Measure I 2010-40 Fund #245 & Circ. Mitigation Fund #630)
 - \$ 30,000 Alder-Locust-Ramona SRTS Project (Air Quality Management District Fund #241)
- This report also recommends the reappropriation of \$130.5 million of prior year project budgets that were not completed as of June 30.

Results of General Fund Operations for Prior Fiscal Year

<i>Revenue Source</i>	<i>Adopted Budget</i>	<i>Revised Budget</i>	<i>Actuals</i>	<i>Percentage</i>	<i>Variance from Adopted Budget</i>	<i>Variance from Revised Budget</i>
Sales Tax	\$39,000,000	\$48,100,000	\$51,408,188	106.88%	\$12,408,188	\$3,308,188
Property Tax	30,435,000	30,760,000	30,768,978	100.03%	333,978	8,978
Interest and Rentals	4,283,610	4,283,610	4,012,957	93.68%	(270,653)	(270,653)
Franchises	7,000,000	7,000,000	8,069,775	115.28%	1,069,775	1,069,775
Business Related	6,498,500	6,498,500	7,966,065	122.58%	1,467,565	1,467,565
Development Related	10,124,800	10,124,800	12,020,028	118.72%	1,895,228	1,895,228
Recreation	2,692,620	1,285,250	995,275	77.44%	(1,697,345)	(289,975)
Motor Vehicle in-Lieu	1,000,000	1,000,000	156,222	15.62%	(843,778)	(843,778)
Miscellaneous Revenues	3,162,820	3,163,020	6,065,357	191.76%	2,902,537	2,902,337
Reimbursables	1,570,850	1,570,850	2,282,464	145.30%	711,614	711,614
From Other Agencies	4,253,200	4,253,200	4,328,350	101.77%	75,150	75,150
Total Revenues	\$110,021,400	\$118,039,230	\$128,073,658	108.50%	\$18,052,258	\$10,034,428
Transfers in	\$10,595,610	\$10,595,610	\$10,890,542	102.78%	\$294,932	\$294,932
Total Expenditures	\$105,893,340	\$106,872,912	\$102,122,755	95.56%	\$3,770,585	\$4,750,157
Transfers out	\$15,913,740	\$27,200,342	\$27,033,377	99.39%	(\$11,119,637)	\$166,965
Results of Operations	(\$1,190,070)	(\$5,438,414)	\$9,808,068			
Reserve adjustments	\$1,190,070	\$5,438,414	\$5,438,414			
Carryover purchase orders			(\$1,150,385)			
Net First Quarter Adjustments			(\$6,485,899)			
Expenditure Control Budgeting			(\$1,638,255)			
Fund PERS Rate Stability Reserve			(\$5,017,000)			
Economic Uncertainty			(\$954,943)			
Increase / (Decrease) to Fund Balance	\$0	\$0	\$0			

Significant Economic Trends

Nationally:

- The U.S. economy has improved since 2020. Experts are cautiously optimistic since the economy recovered in the third quarter of 2021 by 33.8%. Although a record, it was not enough to offset earlier losses. According to the most recent forecast released, GDP is rebounding faster than it did in the Great Recession. U.S. GDP growth is expected to rise by 7.5% in 2021, the best performance since 1951. It is estimated to then drop to a 3.2% growth rate in 2022 and slow further to 2.4% in 2023.
- The latest unemployment figures project an unemployment rate of 4.5% by the end of 2021. This rate will decline in the following years, down to 3.8% in 2022 and 3.5% in 2023. The rate peaked at 14.8% in April 2020 as workers were let go from their jobs in response to the COVID-19 pandemic.

The State of California:

- Most experts agree that California's economy is expected to outpace the nation despite COVID-19 uncertainty. Throughout 2021, California (+4.3%) has added jobs at a faster rate than the national economy (3.3%). As of August 2021, there were 1.03 million fewer workers employed in California compared to February 2020. California's unemployment rate edged down to 7.5% compared to 7.6% in July. California's unemployment rate still remains elevated relative to the 5.4% rate in the U.S.

City of Fontana

- Fiscal Year 2020/21 ended with 1,208 single family dwelling permits being issued. For the first quarter of 2021/22, 151 residential permits have been issued compared to 374 for the same period last year.
- Sales tax receipts continue to show strong increases over the same quarter from the previous year.
- The Local Agency Investment Fund is currently paying 0.206% (daily rate) on City investments, down from 0.69% for the same time last year. The 2-year treasury benchmark rate is 0.18%, up from 0.12% last year.

Summary of Proposed General Fund Adjustments

The First Quarter Budget Report recommends the following General Fund budget adjustments:

		Fund Balance Impact
<u>Results from prior year operations (net):</u>		
Positive budget variances from prior year		\$15,246,482
<u>Revenue adjustments:</u>		
Transfer FY20/21 unused 2020 COPS grant personnel budget	210,401	210,401
<u>Personnel adjustments:</u>		
Recurring personnel adjustments	(\$117,840)	
FY21-22 PMA Contract Negotiations	(318,680)	
Leave paid upon employee retirement	(250,760)	
W/C expense not cover in the ASES grant	(7,650)	
Decrease transfer to Fund 110 due to increase in CDBG grant	<u>4,637</u>	(690,293)
<u>Expenditure adjustments:</u>		
New recurring departmental requests	(\$129,324)	
New one-time departmental requests	<u>(5,876,683)</u>	(6,006,007)
<u>Carryover appropriations from prior year:</u>		
		(1,150,385)
<u>Changes to reserves:</u>		
PERS Rate Stability Reserve	(\$5,017,000)	
Expenditure Control Budgeting	(1,638,255)	
Economic Uncertainty Reserve	<u>(954,943)</u>	<u>(7,610,198)</u>
		<u><u>(\$0)</u></u>

First Quarter Budget Status Report – 2021/2022

General Fund Revenues

Revenues continue to be monitored on a monthly basis. There are no General Fund revenue adjustments recommended as part of the First Quarter Budget Status Report.

<i>Revenue Source</i>	<i>Adopted Budget</i>	<i>Current Budget Before Adjustments</i>	<i>Received as of 9/30/2021</i>	<i>Percent of Current Budget Received</i>	<i>Recommended First Quarter Adjustments</i>	<i>Recommended Budget After Adjustments</i>	<i>Percent of Recommended Budget Received</i>
Sales Tax	\$47,130,000	\$47,130,000	\$14,021,386	29.75%		\$47,130,000	29.75%
Property Tax	31,981,550	31,981,550	478,591	1.50%		31,981,550	1.50%
Interest and Rentals	3,933,540	3,933,540	141,122	3.59%		3,933,540	3.59%
Franchises	7,000,000	7,000,000	1,498,341	21.40%		7,000,000	21.40%
Business Related	7,012,000	7,012,000	1,724,948	24.60%		7,012,000	24.60%
Development Related	10,410,500	10,410,500	2,743,681	26.35%		10,410,500	26.35%
Recreation	2,887,590	2,887,590	483,380	16.74%		2,887,590	16.74%
Motor Vehicle in-Lieu	1,000,000	1,000,000	0	0.00%		1,000,000	0.00%
Miscellaneous Revenues	2,650,880	2,650,880	678,661	25.60%		2,650,880	25.60%
Reimbursables	1,603,150	1,603,150	255,961	15.97%		1,603,150	15.97%
From Other Agencies	4,278,700	4,278,700	969,600	22.66%		4,278,700	22.66%
Total General Fund	\$119,887,910	\$119,887,910	\$22,995,671	19.18%	\$0	\$119,887,910	19.18%

NOTE: Property Tax in-lieu of VLF collections are lagging due to the State's distribution which provides for lump-sum payments in January and May. Interest revenue is received starting in October and is followed by a year-end accrual for a full twelve months of interest. A large number of Business Licenses are renewable in December. A large share of Franchise revenues is received annually in the month of April. **When adjusted for these anomalies, the percent of recommended budget received is 25.90%.**

First Quarter Budget Status Report – 2021/2022

General Fund Expenditures

General Fund expenditures for first quarter are on track and within budget. Staff recommends a net increase in appropriations of \$3,197,352. See page 23 through 25 for details of the expenditure adjustments.

<i>Department</i>	<i>Adopted Budget</i>	<i>Current Budget Before Adjustments</i>	<i>Spent as of 9/30/2021</i>	<i>Percent of Current Budget Spent</i>	<i>Recommended First Quarter Adjustments</i>	<i>Recommended Budget After Adjustments</i>	<i>Percent of Recommended Budget Spent</i>
City Administration	\$4,013,460	\$4,013,460	\$568,697	14.17%	\$307,030	\$4,320,490	13.16%
Human Resources	1,178,000	1,178,000	222,074	18.85%	570,280	1,748,280	12.70%
Administrative Services	425,970	425,970	29,705	6.97%	33,500	459,470	6.46%
Office of the City Clerk	795,570	795,570	126,661	15.92%	(6,317)	789,253	16.05%
Community Services	13,040,800	13,040,800	2,054,224	15.75%	33,724	13,074,524	15.71%
Information Technology	3,751,660	3,751,660	738,420	19.68%	0	3,751,660	19.68%
Management Services	3,043,730	3,043,730	602,141	19.78%	104,196	3,147,926	19.13%
Development Services	802,460	802,460	190,582	23.75%	51,900	854,360	22.31%
Building and Safety	2,077,310	2,077,310	459,211	22.11%	429,980	2,507,290	18.32%
Planning	2,476,090	2,476,090	370,575	14.97%	130,537	2,606,627	14.22%
Engineering	3,672,900	3,672,900	768,031	20.91%	158,744	3,831,644	20.04%
Public Works	7,455,800	7,455,800	1,167,225	15.66%	85,390	7,541,190	15.48%
Police	67,298,140	67,298,140	14,203,124	21.10%	1,298,388	68,596,528	20.71%
Total General Fund	\$110,031,890	\$110,031,890	\$21,500,670	19.54%	\$3,197,352	\$113,229,242	18.99%

NOTE: The above amounts do not include projects.

Carryover Projects

Staff recommends the reappropriation of prior year project budgets that were not completed as of June 30.

	<i>Fund</i>	<i>Amount</i>
102	City Technology	\$1,861,435
103	Facility Maintenance	\$4,584
110	GF Operating Projects	293,826
223	Federal Asset Seizure	1,033,754
241	Air Quality Mgmt District	1,103,806
245	Measure I 2010-2040 Reimb	15,164,405
246	Measure I 2010-2040 Local	9,644,318
281	Gas Tax (State)	24,386
282	Solid Waste Mitigation	1,320,773
283	Road Maintenance & Rehab	1,146,943
295	Permanent Local Hsg Alloc	752,066
297	Housing Authority LMIHF	3,992,183
301	Grants	9,921,319
321	Federal Law Enf Block Grant	51,239
322	State COPS AB 3229	28,907
362	CDBG	2,089,190
363	Home Program	1,398,338
401	CFD #1 Southridge Village	469,972

	<i>Fund</i>	<i>Amount</i>
601	Capital Reinvestment	14,800,070
602	Capital Improvement	9,929,173
603	Future Capital Projects	2,582,728
610	Fire Capital Project	11,410,712
622	Storm Drain	8,480,355
630	Circulation Mitigation	18,353,888
631	Fire Assessment	423,922
632	General Government	1,017,764
633	Landscape Medians	1,910,761
635	Parks Development	3,093,911
636	Police Capital Facilities	823,263
664	CFD #86 Etiwanda Ridge	971,918
666	CFD #88 Sierra Crest II	1,279,383
667	CFD #89 Belrose	1,097,268
668	CFD #90 Summit @ Rosena Ph I	149,454
698	Affordable Housing Trust	1,000,000
703	Sewer Replacement	2,878,840
		\$130,504,853

This list includes all carryover projects city-wide. Carryover projects for Low/Mod Income Hsg Successor Agency, Fontana Housing Authority and Fontana Fire Protection District will also be included in the reports for those separate entities.

The Mid Year Budget Report will contain a progress update for capital projects.

First Quarter Budget Status Report – 2021/2022

Expenditure Control Budgeting

Consistent with City Council's goals and objectives, the City Council approved an Expenditure Control Budget (ECB) Policy. ECB provides an incentive to achieve efficiencies in providing funded service levels by using a portion of those cost savings for future years' one-time expenditures designed to increase operational efficiency. The following schedule reflects the current Expenditure Control Budget Reserve, adjustments and the recommended ECB Reserve.

<i>Department</i>	<i>Beginning ECB Reserve</i>	<i>Allocation from Prior FY Savings</i>	<i>First Quarter Adjustments</i>	<i>Mid Year Adjustments</i>	<i>Third Quarter Adjustments</i>	<i>Fourth Quarter Adjustments</i>	<i>Ending ECB Reserve</i>
City Administration	0	0					0
Human Resources	0	55,377					55,377
Administrative Services	0	0					0
Office of the City Clerk	0	12,673					12,673
Community Services	0	1,004,315					1,004,315
Information Technology	0	0					0
Management Services	0	0					0
Development Services	0	3,554					3,554
Building and Safety	0	0					0
Planning	0	0					0
Engineering	0	0					0
Public Works	0	219,122					219,122
Police	0	343,214					343,214
Total General Fund	\$0	\$1,638,255	\$0	\$0	\$0	\$0	\$1,638,255

Fund Balance Review

The City Council has established an Undesignated General Fund Balance goal of **15%** of adopted recurring annual appropriations. The First Quarter Report recommendations maintain this balance. The City's Undesignated General Fund Balance represents the available resources to provide funding for future contingencies such as earthquakes, economic fluctuations, major infrastructure repairs and investment in capital for improved productivity and efficiencies.

The First Quarter Budget Report recommends the following:

- \$5,017,000 Increase to PERS Rate Stability Reserve
- \$1,638,255 Increase to Expenditure Control Budgeting Reserve
- \$ 954,943 Increase to Economic Uncertainty Reserve

Fund Balance Reserves After Adjustments

<i>15% Contingency Reserve</i>	<i>\$16,505,000</i>
<i>Economic Uncertainty Reserve</i>	<i>9,469,586</i>
<i>PERS Stability Reserve</i>	<i>10,886,393</i>
<i>Expenditure Control Budgeting</i>	<i>1,638,255</i>
<i>Unappropriated Fund Balance</i>	<i>158,564</i>
<i>Total</i>	<i>\$38,657,798</i>

Organizational Changes

Quarterly Budget Reports are routinely used to recommend organizational and/or personnel changes within a fiscal year. Upon approval, the total recurring costs for these organizational changes will be added to the department's target numbers.

The following organizational changes are recommended as part of the First Quarter Budget Status Report:

Department	Position Number	Action	Description	General Fund Impact		Other Funds Impact		Total Impact	
				FY 21/22	Annual	FY 21/22	Annual	FY 21/22	Annual
Human Resources	New	Add	Administrative Secretary	52,480	85,280			52,480	85,280
City Clerks	P/T	Eliminate	Office Assistant (2 positions)	(26,060)	(39,000)			(26,060)	(39,000)
Development Services	New	Add	Secretary			39,050	65,070	39,050	65,070
Development Services	40130	Downgrade	Supervising Code Enf Inspector to Sr Code Compliance Inspector			(7,650)	(7,650)	(7,650)	(7,650)
Bldg & Safety	New	Add	Building Permit Technician	51,070	82,990			51,070	82,990
Bldg & Safety	34025	Reclass	Dev Services Permit Aide to Building Permit Technician	4,920	7,520			4,920	7,520
Engineering	36035	Downgrade	Real Property Analyst to Management Analyst I	(750)	(750)			(750)	(750)
Police	40079	Salary Change	Police Communication Supervisor	7,970	12,200			7,970	12,200
Police	40186	Eliminate	Sergeant w/Advanced	(249,930)	(297,180)			(249,930)	(297,180)
Police		Eliminate	Attrition Factor related to above position	249,930	297,180			249,930	297,180
Police	40222	Reclass	Secretary to Police Dispatcher II	3,210	5,210			3,210	5,210
				\$92,840	\$153,450	\$31,400	\$57,420	\$124,240	\$210,870

Liability Claims

The City Council has authorized the Director of Human Resources and the City Manager to settle liability claims within specified dollar amounts as follows:

City Manager with the concurrence of the City Attorney	\$25,000
Director of Human Resources/Risk Management with concurrence of the City Attorney	\$10,000

The City Council has directed staff to report claim settlements as part of each quarterly budget report. Ten claims were settled during the First Quarter of Fiscal Year 2021/2022:

<i>Claim Number</i>	<i>Description</i>	<i>Amount</i>
2021-20	Personal injury	\$1,000,000
2017-56	Personal injury	990,000
2018-50	Personal injury	50,000
2019-50	Personal injury	50,000
2021-30	Property	10,605
2021-54	Property	849
2021-61	Property	600
2021-31	Property	500
2021-41	Property	343
2021-61	Property	300
		\$2,103,198

Conclusion

The City Council has provided fiscal policy direction that has laid the foundation for the 2021/2022 Operating Budget's conservative approach to revenues and expenditures. **The recommended budget changes included in the First Quarter Budget Report continue to adhere to City Council Policy.**

As stated by the City Council's Vision Statement below, the City of Fontana is a dynamic, thriving community, due to its committed elected leadership and the talents and ingenuity of the individuals in this community and organization. The key is through a well-planned, long-term fiscal plan, based upon economic development that will continue to generate high paying long-term employment opportunities, bring in new and stable sales tax revenue sources, and maintaining intergovernmental relations. Though there are still great challenges ahead, the City is firmly committed to meeting each and every challenge that comes our way.

“Fontana is a dynamic, thriving community that supports education, growth, safety and a positive community fabric. Our community is creating the opportunities that encourage social and economic investment.”

Vision Statement Adopted February 7, 2006

City of Fontana
General Fund - Fund Balance Reconciliation
 Five-Year Summary

	2017-18 Audited Actuals	2018-19 Audited Actuals	2019-20 Audited Actuals	2020-21 Estimated Actuals	2021/22			
					Adopted Budget	Adjusted Budget	Proposed Adjustments	Proposed Budget
Revenues	\$101,939,175	\$115,286,615	\$114,334,026	\$128,073,658	\$119,887,910	\$119,887,910	\$0	\$119,887,910
Expenditures	90,494,219	97,069,126	101,318,229	102,122,755	110,031,890	110,031,890	3,197,352	113,229,242
Revenues over (under) expenditures	11,444,956	18,217,489	13,015,797	25,950,903	9,856,020	9,856,020	(3,197,352)	6,658,668
Other sources & uses:								
Operating transfers in	9,492,586	11,903,826	11,199,568	10,890,542	11,469,370	11,469,370	210,401	11,679,771
Operating transfers out	(20,998,217)	(22,332,286)	(24,459,727)	(27,033,377)	(20,704,390)	(20,704,390)	(4,649,333)	(25,353,723)
Total other sources & uses	(11,505,631)	(10,428,460)	(13,260,159)	(16,142,835)	(9,235,020)	(9,235,020)	(4,438,932)	(13,673,952)
Revenues & other sources over (under) expenditures and other uses	(60,675)	7,789,029	(244,362)	9,808,068	621,000	621,000	(7,636,284)	(7,015,284)
Fund balance, beginning of year	31,175,668	32,116,136	39,272,847	38,692,079	33,095,101	48,500,147		48,500,147
Projected expenditure savings from current year						0	0	0
GASB 31 adjustment	554,942	(632,318)	(336,406)					
Eliminate RDA receivables								
Prior period adjustment	446,201							
Fund balance, end of year	\$32,116,136	\$39,272,847	\$38,692,079	\$48,500,147	\$33,716,101	\$49,121,147	(\$7,636,284)	\$41,484,863
FUND BALANCE								
Reserved								
Inventories	\$349,801	\$330,543	\$327,065	\$327,065	\$327,065	\$327,065		\$327,065
Jr. Lien Bonds	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000		2,500,000
Total reserved	2,849,801	2,830,543	2,827,065	2,827,065	2,827,065	2,827,065	0	2,827,065
Unreserved								
Economic Uncertainty	6,919,867	6,919,867	8,500,057	8,514,643	8,514,643	8,514,643	954,943	9,469,586
Designated for ECB	1,760,877	1,578,985	0	0	0	0	1,638,255	1,638,255
PERS	3,446,364	4,588,085	6,038,085	5,869,393	5,869,393	5,869,393	5,017,000	10,886,393
Future projects and commitments				0	0	0		0
Unappropriated	3,582,227	8,685,367	6,029,872	15,405,046	0	15,405,046	(15,246,482)	158,564
	\$18,559,136	\$24,602,847	\$23,395,079	\$32,616,147	\$17,211,101	\$32,616,147	(\$7,636,284)	\$24,979,863
Available for Contingencies (15%)	\$13,557,000	\$14,670,000	\$15,297,000	\$15,884,000	\$16,505,000	\$16,505,000	\$0	\$16,505,000

City of Fontana
Unreserved Fund Balance
FY 2021/2022

		Estimated Fund Balance July 1, 2021	Budget				Net Proposed Adjustments	Estimated Fund Balance June 30, 2022	
			Revenues	Transfers In	Expenditures	Transfers Out	Available		
Other General Funds:									
102	City Technology	\$4,150,444	\$0	\$4,230,000	(\$4,324,750)	\$0	\$4,055,694	(\$290,107)	\$3,765,587
103	Facility Maintenance	807,602	0	7,370,900	(7,370,900)	0	807,602	(69,616)	737,986
104	Office of Emergency Services	3,116,657	0	0	(37,390)	0	3,079,267	0	3,079,267
105	KFON	1,370,789	250,000	0	(254,540)	0	1,366,249		1,366,249
106	Self Insurance	8,183,112	6,007,180	0	(6,920,580)	0	7,269,712	7,770	7,277,482
107	Retirees Medical Benefits	25,521,570	520,000	2,500,000	(2,500,000)	0	26,041,570		26,041,570
108	Supplemental Retirement	1,608	0	30,600	(32,000)	0	208		208
110	General Fund Operating Projects	5,989	0	1,412,700	(1,412,700)	0	5,989	0	5,989
125	Storm Water Compliance	210,280	134,000	0	(164,570)	0	179,710	(10,327)	169,383
Total Other General Funds		\$43,368,051	\$6,911,180	\$15,544,200	(\$23,017,430)	\$0	\$42,806,001	(\$362,280)	\$42,443,721
Special Revenue Funds:									
201	Muni Svcs Fiscal Impact Fee	\$21,502,702	\$1,352,500	\$0	\$0	(\$859,000)	\$21,996,202		\$21,996,202
222	Crime Prev Asset Seizure	50,789	8,500	0	(34,600)	0	24,689	(2,669)	22,020
223	Federal Asset Seizure	3,760,440	1,574,900	0	(2,099,290)	0	3,236,050	(41,500)	3,194,550
224	State Asset Seizure	380,326	75,600	0	(52,790)	0	403,136		403,136
225	PD Traffic Safety	2,115,432	374,500	0	(199,500)	0	2,290,432	(104,694)	2,185,738
241	Air Quality Mgmt District	228,239	310,500	0	(16,000)	(16,100)	506,639	(50,050)	456,589
242	Measure I - TCR	0	0	0	0	0	0		0
243	Traffic Safety	54,204	32,250	0	(59,520)	0	26,934		26,934
244	Prop 1B	138,531	1,200	0	0	0	139,731		139,731
245	Measure I Reimb 2010-2040	92,318	0	0	0	0	92,318	0	92,318
246	Measure I Local 2010-2040	9,938,486	3,845,630	0	(2,565,110)	(99,900)	11,119,106	(3,398,230)	7,720,876
281	Gas Tax (State)	1,006,223	4,902,200	0	(3,730,430)	(576,500)	1,601,493		1,601,493
282	Solid Waste Mitigation	1,829,089	3,029,400	0	(2,596,810)	(449,100)	1,812,579	(572)	1,812,007
283	Road Maintenance & Rehab	56,410	4,155,800	0	(4,145,000)	0	67,210		67,210
301	Grants	210,552	475,360	100,520	(350,880)	0	435,552	(435,552)	0
302	ARPA 2021	8,902	0	0	0	0	8,902		8,902
321	Fed Law Enf Block Grant	0	208,330	0	(208,330)	0	0	0	0
322	State COPS AB 3229	168,321	380,000	0	(404,430)	0	143,891	(81,103)	62,788
362	CDBG	1,050,636	2,329,030	0	(2,228,170)	(91,800)	1,059,696	90,045	1,149,741
363	Home Program	812,746	796,660	0	(790,900)	0	818,506	(77,126)	741,380

City of Fontana
Unreserved Fund Balance
FY 2021/2022

		Estimated Fund Balance July 1, 2021	Budget				Net Proposed Adjustments	Estimated Fund Balance June 30, 2022
			Revenues	Transfers In	Expenditures	Transfers Out	Available	
Special Revenue Funds:								
365	Down Pymt Assistance Prgm	\$11,271	\$0	\$0	\$0	\$0	\$11,271	
385	After School Program	0	3,854,890	0	(3,531,790)	(323,100)	0	0
395	LMD #1 City Wide	2,535,625	925,700	0	(989,660)	(139,600)	2,332,065	(526,000)
396	LMD #2 Village of Heritage	651,672	2,449,000	510,300	(2,766,620)	(308,200)	536,152	(40,840)
397	LMD #3 Empire Center	261,021	64,150	0	(61,070)	(4,400)	259,701	
398	LMD #3 Hunter's Ridge	2,773,875	820,900	118,090	(901,790)	(95,200)	2,715,875	(88,955)
399	LLMD #3 Hunter's Ridge	37,510	34,350	0	(32,000)	(2,800)	37,060	
401	CFD #1 Southridge Village	6,681,829	5,567,400	0	(4,068,770)	(2,067,500)	6,112,959	(22,586)
403	CFD #6-3A Bellgrove II	401,355	231,000	0	(141,650)	(35,300)	455,405	
404	CFD #6-2 N Morningside	304,824	92,350	0	(68,130)	(7,100)	321,944	
405	CFD #6-1 Stratham	586,134	189,800	0	(118,420)	(102,700)	554,814	(6,790)
406	CFD #6 The Landings	3,187,981	349,200	98,610	(459,860)	(50,300)	3,125,631	(36,188)
407	CFD #7 Country Club Estates	386,515	115,450	12,000	(146,420)	(14,500)	353,045	(313)
408	CFD #8 Presley	1,016,529	80,700	97,200	(239,440)	(21,800)	933,189	(112,534)
409	CFD #9M Morningside	318,875	165,700	0	(128,150)	(100,900)	255,525	
410	CFD #10M Jurupa Industrial	274,225	39,900	0	(35,130)	(3,400)	275,595	
412	CFD #12 Sierra Lakes	1,551,061	902,200	144,700	(1,221,240)	(119,400)	1,257,321	(10,171)
413	CFD #13M Summit Heights	1,243,943	439,300	92,930	(680,980)	(73,600)	1,021,593	(5,615)
414	CFD #14M Sycamore Hills	232,160	422,140	0	(271,020)	(203,600)	179,680	(7,753)
415	CFD #15M Silver Ridge	291,668	278,600	0	(138,640)	(194,100)	237,528	
416	CFD #16M Ventana Pointe	149,248	44,400	0	(36,890)	(27,000)	129,758	
418	CFD #18M Badiola Homes	43,357	7,150	0	(3,200)	(3,900)	43,407	
420	CFD #20M	131,400	33,400	0	(31,570)	(17,800)	115,430	
421	CFD #21M	222,777	40,900	0	(15,900)	(19,900)	227,877	
423	CFD #23M	46,106	7,900	0	(2,670)	(10,200)	41,136	
424	CFD #24M	180,717	46,000	0	(16,770)	(25,500)	184,447	(1,620)
425	CFD #25M	337,334	84,100	0	(59,300)	(47,900)	314,234	
427	CFD #27M	17,534	65,710	0	(48,610)	(4,100)	30,534	
428	CFD #28M	563,407	149,300	0	(52,520)	(98,700)	561,487	
429	CFD #29M	48,552	23,600	0	(18,090)	(17,400)	36,662	
430	CFD #30M	763,980	240,900	0	(118,530)	(144,300)	742,050	
431	CFD #31 Citrus Heights North	581,363	299,800	0	(209,910)	(168,000)	503,253	

City of Fontana
Unreserved Fund Balance
FY 2021/2022

		Estimated	Budget					Net	Estimated
		Fund Balance						Proposed	Fund Balance
		July 1, 2021	Revenues	Transfers In	Expenditures	Transfers Out	Available	Adjustments	June 30, 2022
Special Revenue Funds:									
432	CFD #32M	\$94,181	\$18,600	\$0	(\$3,370)	(\$13,600)	\$95,811	(35,961)	\$95,811
433	CFD #33M Empire Lighting	139,010	42,100	0	(38,940)	(2,100)	140,070		140,070
434	CFD #34 Empire Detention Basin	233,946	22,900	0	(10,780)	(1,000)	245,066		245,066
435	CFD #35M	1,653,825	512,700	0	(557,800)	(156,200)	1,452,525		1,416,564
436	CFD #36M	56,289	22,600	0	(10,640)	(17,400)	50,849		50,849
437	CFD #37 Montelago	289,307	89,700	0	(49,760)	(45,900)	283,347		283,347
438	CFD #38M	850,379	182,150	0	(105,830)	(105,900)	820,799		820,799
439	CFD #39M	54,740	21,900	0	(10,810)	(15,000)	50,830		50,830
440	CFD #40M	59,526	10,900	0	(1,050)	(7,400)	61,976		61,976
441	CFD #41M	119,953	16,000	0	(8,370)	(7,100)	120,483		120,483
442	CFD #42M	277,051	45,950	0	(61,590)	(5,400)	256,011		256,011
444	CFD #44M	32,927	9,200	0	(7,410)	(5,300)	29,417		29,417
445	CFD #45M	389,355	102,600	0	(82,670)	(49,200)	360,085		360,085
446	CFD #46M	288,838	50,800	0	(29,260)	(20,600)	289,778		289,778
447	CFD #47M	17,584	11,600	0	(12,550)	(5,400)	11,234		11,234
448	CFD #48M	412,879	77,200	0	(51,840)	(28,100)	410,139		410,139
449	CFD #49M	36,773	13,050	0	(14,840)	(5,400)	29,583		29,583
450	CFD #50M	83,694	35,850	0	(22,780)	(27,400)	69,364		69,364
451	CFD #51M	171,466	66,700	0	(52,460)	(33,600)	152,106		152,106
453	CFD #53M	68,209	9,350	0	(4,120)	(4,400)	69,039		69,039
454	CFD #54M	77,100	24,800	0	(18,010)	(11,800)	72,090		72,090
455	CFD #55M	52,907	7,400	0	(5,120)	(2,600)	52,587		52,587
456	CFD #56M	113,684	27,000	0	(400)	(23,600)	116,684		116,684
457	CFD #57M	66,739	14,600	0	(12,610)	(5,600)	63,129		63,129
458	CFD #58M	13,050	4,500	0	(1,500)	(3,800)	12,250		12,250
459	CFD #59M	4,265	2,400	0	(500)	0	6,165	6,165	
460	CFD #60M	84,267	13,200	0	(9,450)	(5,000)	83,017	83,017	
461	CFD #61M	364,732	56,600	0	(27,150)	(26,200)	367,982	367,982	
462	CFD #62M	35,956	5,900	0	(2,150)	0	39,706	39,706	
463	CFD #63M	479,978	57,750	0	(19,760)	(400)	517,568	517,568	
464	CFD #64M	61,251	5,400	0	0	0	66,651	66,651	
465	CFD #65M	182,469	21,400	0	(6,770)	(9,800)	187,299	187,299	

City of Fontana
Unreserved Fund Balance
FY 2021/2022

		Estimated Fund Balance July 1, 2021	Budget				Net Proposed Adjustments	Estimated Fund Balance June 30, 2022
			Revenues	Transfers In	Expenditures	Transfers Out	Available	
Special Revenue Funds:								
467	CFD #67M	\$194,253	\$43,700	\$0	(\$30,870)	(\$21,500)	\$185,583	
468	CFD #68M	127,506	25,100	0	(18,440)	(11,100)	123,066	
469	CFD #69M	623,455	169,700	0	(65,570)	(94,000)	633,585	
470	CFD #70M Avellino	239,574	79,200	0	(43,010)	(36,060)	239,704	
471	CFD #71M Sierra Crest	417,918	120,400	0	(112,120)	(40,700)	385,498	
472	CFD #72M	32,732	11,000	0	(5,340)	(5,700)	32,692	
473	CFD #73M	260,101	67,400	0	(27,990)	(33,690)	265,821	
474	CFD #74M	324,003	85,900	0	(34,110)	(500)	375,293	
475	CFD #75M	52,227	14,450	0	(7,000)	(7,790)	51,887	
476	CFD #76M	109,197	34,000	0	(39,560)	(13,800)	89,837	
477	CFD #77M	46,332	12,400	0	(6,320)	(6,000)	46,412	
478	CFD #78M	143,894	70,400	0	(11,290)	(1,000)	202,004	
479	CFD #79M	113,429	21,700	0	(300)	0	134,829	
480	CFD #80M	479,659	215,300	0	(138,940)	(110,100)	445,919	
481	CFD #81M	119,477	110,400	0	(74,440)	(51,400)	104,037	(767)
482	CFD #82M	85,336	27,200	0	0	0	112,536	
483	CFD #83M	151,522	62,050	0	(23,620)	(26,100)	163,852	
484	CFD #84M	35,164	19,250	0	(10,320)	(8,700)	35,394	
485	CFD #85 THE MEADOWS	694,036	419,600	0	(273,000)	(88,500)	752,136	(22,374)
486	CFD #86 ETIWANDA RIDGE	176,645	63,800	0	(47,060)	(27,560)	165,825	
487	CFD #87 El Paseo	73,612	73,000	0	(8,900)	0	137,712	
488	CFD #88 SIERRA CREST II	185,794	113,400	0	(58,110)	(33,000)	208,084	
489	CFD #89 BELROSE	120,069	60,400	0	(19,590)	0	160,879	
490	CFD #90 SUMMIT @ ROSENA PH i	711,496	351,800	0	(162,890)	0	900,406	
491	CFD #91M	14,037	6,900	0	0	0	20,937	
492	CFD #92M	33,551	16,500	0	0	0	50,051	
493	CFD #93M	22,568	11,000	0	0	0	33,568	
494	CFD #94M	4,238	2,000	0	0	0	6,238	
495	CFD #95 SUMMIT @ ROSENA PH II	321,408	160,600	0	(161,310)	0	320,698	
496	CFD #96M Tr. 19957	23	0	0	0	0	23	
497	CFD #97M	10,482	5,100	0	0	0	15,582	
498	CFD #98M	6,038	6,000	0	0	0	12,038	
501	CFD #101M	7,863	7,800	0	0	0	15,663	
502	CFD #102M	5,017	5,000	0	0	0	10,017	
503	CFD #103M Estrada	4,410	0	0	0	0	4,410	
505	CFD #105M	0	0	0	0	0	0	39,080
Total Special Revenue Funds		\$82,051,590	\$46,013,500	\$1,174,350	(\$38,716,890)	(\$7,807,000)	\$82,715,550	(\$4,980,838)

City of Fontana
Unreserved Fund Balance
FY 2021/2022

		Estimated Fund Balance July 1, 2021	Budget				Net Proposed Adjustments	Estimated Fund Balance June 30, 2022
			Revenues	Transfers In	Expenditures	Transfers Out	Available	
Debt Service Funds:								
580	General Debt Service	\$89,856	\$189,300	\$2,947,040	(\$3,136,720)	\$0	\$89,476	\$89,476
Total Debt Service Funds		\$89,856	\$189,300	\$2,947,040	(\$3,136,720)	\$0	\$89,476	\$89,476
Capital Project Funds:								
601	Capital Reinvestment	\$100,000	\$37,000	\$2,300,000	(\$2,300,000)	(\$137,000)	\$0	\$0
602	Capital Improvements	15,867,186	79,000	0	(2,567,420)	(353,900)	13,024,866	13,749,866
603	Future Capital Projects	14,130,310	180,000	0	0	(453,400)	13,856,910	13,721,615
620	San Sevaine Flood Control	1,166,102	475,700	0	(95,290)	(13,400)	1,533,112	1,533,112
621	Upper Etiwanda Flood Control	46,861	400	0	0	0	47,261	47,261
622	Storm Drain	9,612,476	2,991,000	0	(118,660)	(123,000)	12,361,816	11,681,816
623	Sewer Expansion	18,194,855	2,620,000	0	(12,075,000)	(120,000)	8,619,855	8,619,855
630	Circulation Mitigation	9,099,520	5,191,000	0	(12,620)	(181,500)	14,096,400	12,520,294
631	Fire Assessment	212,361	156,300	0	0	(321,370)	47,291	47,291
632	General Government	10,283,882	1,084,000	0	0	0	11,367,882	11,367,882
633	Landscape Medians	3,656,813	649,800	0	(3,110)	(46,900)	4,256,603	1,366,603
634	Library Capital Improvement	1,018,837	403,500	0	0	0	1,422,337	1,422,337
635	Parks Development	2,008,242	1,857,000	0	(281,620)	(219,300)	3,364,322	5,827,766
636	Police Capital Facilities	2,751,818	673,500	0	0	(4,600)	3,420,718	3,420,718
637	Underground Utilities	298,744	102,200	0	0	0	400,944	400,944
650	CFD #2 Village of Heritage	0	0	0	0	0	0	0
651	CFD #3 Hunter's Ridge	0	0	0	0	0	0	0
653	CFD #7 Club Estates	0	0	0	0	0	0	5,881
654	CFD #11 Heritage West	0	0	0	0	0	0	1,171
655	CFD #12 Sierra Lakes	0	0	0	0	0	0	8,457
657	CFD #31 Citrus Heights North	12,574	100	0	0	0	12,674	12,674
658	CFD #37 Montelago	6,062	0	0	0	0	6,062	7,809
659	CFD #70 Avellino	799	0	0	0	0	799	1,505
660	CFD #71 Sierra Crest	3,042	0	0	0	0	3,042	3,042
661	CFD #80 Bella Strada	6,784	0	0	0	0	6,784	6,784
662	CFD #81 Gabriella	4	0	0	0	0	4	4
663	CFD #74B Citrus/Summit	478,326	0	0	0	0	478,326	478,326
664	CFD #86 Etiwanda Ridge	920,999	0	0	0	0	920,999	920,999
665	CFD #85 The Meadows	2,607,874	0	0	0	0	2,607,874	5,663
666	CFD #88 Sierra Crest II	6,502	0	0	0	0	6,502	6,502
667	CFD #89 Belrose	8,187	0	0	0	0	8,187	8,187
668	CFD #90 Summit @ Rosena Ph I	23,533,056	0	0	(4,584,010)	0	18,949,046	18,949,046
670	CFD #87 El Paseo	0	0	0	0	0	0	5,459,468
Total Capital Project Funds		\$116,032,216	\$16,500,500	\$2,300,000	(\$22,037,730)	(\$1,974,370)	\$110,820,616	\$111,602,879

City of Fontana
Unreserved Fund Balance
FY 2021/2022

	Estimated Fund Balance July 1, 2021	Budget					Net Proposed Adjustments	Estimated Fund Balance June 30, 2022
		Revenues	Transfers In	Expenditures	Transfers Out	Available		
Enterprise Funds:								
701 Sewer Maintenance & Operations	\$7,421,269	\$23,893,910	\$0	(\$21,644,880)	(\$2,780,500)	\$6,889,799	(\$266,958)	\$6,622,841
702 Sewer Capital Projects	524,777	192,500	502,240	(160,600)	(9,100)	1,049,817	(3,100)	1,046,717
703 Sewer Replacement	10,233,904	1,118,000	0	(6,764,760)	(661,840)	3,925,304	(10,600)	3,914,704
710 Water Utility	635,075	4,700	0	0	0	639,775		639,775
Total Enterprise Funds	\$18,815,025	\$25,209,110	\$502,240	(\$28,570,240)	(\$3,451,440)	\$12,504,695	(\$280,658)	\$12,224,037
Internal Service Fund:								
751 FLEET OPERATIONS	\$9,235,434	\$8,327,730	\$0	(\$7,210,870)	\$0	\$10,352,294	(\$1,542,441)	\$8,809,853
TOTAL ALL FUNDS	\$269,592,172	\$103,151,320	\$22,467,830	(\$122,689,880)	(\$13,232,810)	\$259,288,632	(\$6,383,954)	\$252,904,678
Total Transfers Including General Fund			<u>\$33,937,200</u>		<u>(\$33,937,200)</u>			

City of Fontana
Recommended Adjustments
FY 2021/2022

Budget Unit Project #	Dept	Description	Account	Description	Appropriations	Revenues	Transfers In	Transfers Out	FB Impact	Reason
101	General Fund				3,197,352	0	210,401	4,649,333	(7,636,284)	
Revenue adjustments (one-time)										
10140231	POL	Patrol Units	6900	Operating transfers in			210,401		210,401	Xfer back from GF Operating Proj remaining personnel budget not used in FY20/21
Personnel adjustments (recurring):										
10115000	HR	HR Administration		Various personnel accounts	52,480				(52,480)	Add new Admin Secretary position
10122000	CC	Records & Elections		Various personnel accounts	(26,060)				26,060	Eliminate two P/T Office Assistant positions
10128500	MS	Customer Service	7111	Part-time employees	25,000				(25,000)	Addtl funding for classified part-time employees
10132300	BS	B&S Administration		Various personnel accounts	51,070				(51,070)	Add new Bldg Permit Technician position
10132300	BS	Permits		Various personnel accounts	4,920				(4,920)	Reclass PC#34025 to Bldg Permit Technician
10136004	ENG	Land Development		Various personnel accounts	(750)				750	Downgrade PC#36035 from Real Prop Analyst to Mgmt Analyst I
10140104	POL	Communications/Dispatch		Various personnel accounts	7,970				(7,970)	Salary increase for PC#40079
10140300	POL	Special Op - Admin		Various personnel accounts	3,210				(3,210)	Reclass PC#4022 to Police Dispatcher II
Various	POL	Various		Various personnel accounts	318,680				(318,680)	FY 2021/22 PMA Contract Negotiations
10140231	POL	Patrol		Various personnel accounts	(249,930)				249,930	Eliminate PC#40186 after PC#40303 was added to replace retiring Sergeant
10140231	POL	Patrol	7090	Attrition factor	249,930				(249,930)	Attrition factor to offset above
Personnel adjustments (one-time):										
Various		Various	7012	Annual leave cash out	250,760				(250,760)	Leave paid upon employee retirement
10124101	CS	Admin After School	7020	Worker's comp	7,650				(7,650)	Funding to cover ASES W/C not allowed in grant
10140231	POL	Patrol	8790	Operating transfer out				(4,637)	4,637	Decrease xfer to Fund 110 due to CDBG Grant alloc increase in FY21/22
Offsetting adjustments:										
10124000	CS	Community Svcs Admin	8318	Office equip furn & fix	(12,000)				12,000	Xfer funds to GF Operating Proj Fund #110 for additional funding needed to purchase OnmiTrans/Senior transportation bus
10124000	CS	Community Svcs Admin	8790	Operating transfer out				12,000	(12,000)	
10140X00	POL	Various	8210	Vehicle maintenance	(141,970)				141,970	Xfer FY21/22 O&M and Cap Recovery to GF Operating Project Fund #110 for Enterprise Lease Agreement
10140100	POL	Admin Services	8790	Lease payment				141,970	(141,970)	

City of Fontana
Recommended Adjustments
FY 2021/2022

Budget Unit Project #	Dept	Description	Account	Description	Appropriations	Revenues	Transfers In	Transfers Out	FB Impact	Reason
New requests (recurring):										
10110200	CA	City Manager's Office	8130	Other professional services	13,500				(13,500)	State lobbyist agreement increase (annual \$18K)
10122000	CC	Records and Elections	8018	Conference & meetings	4,000				(4,000)	Professional growth training & Assoc membership
10122000	CC	Records and Elections	8130	Other professional services	9,900				(9,900)	Campaign disclosure & Form 700 electronic filing
10136003	ENG	Construction Inspection	8010	Departmental expense	1,700				(1,700)	} Traffic cone replacement for inspection and traffic signal lane closures
10136005	ENG	Traffic/Streets	8010	Departmental expense	600				(600)	
10138202	PW	Parks	8130	Other professional services	30,000				(30,000)	Addtl funding for Metrolink Security Services
10138209	PW	Landscape Maint	8130	Other professional services	21,300				(21,300)	Landscape & lighting maint @ Terra Vista/Segovia Ln
10140233	POL	Air Support	8130	Other professional services	17,904				(17,904)	Helicopter liab coverage insurance increase
10140352	POL	Community Programs	8130	Other professional services	30,420				(30,420)	Crossing guard contract (CC-X 9/28/21)
New requests (one-time):										
10110200	CA	City Manager's Office	8130	Other professional services	25,000				(25,000)	Addtl training for managers/supervisors
10110500	CA	Economic Develop	8130	Other professional services	100,000				(100,000)	City contract for services & outreach to the business community to support expansion and jobs
10115000	HR	HR Administration	8011	Advertising	15,000				(15,000)	Addtl advertising due to higher level of vacancies
10115000	HR	HR Administration	8010	Departmental expense	2,800				(2,800)	Office equip/supplies for new Admin Secretary position
10115000	HR	HR Administration	8130	Other professional services	500,000				(500,000)	City-wide classification & compensation study
10115100	HR	Benefits	8790	Operating transfers out				600,000	(600,000)	Xfer to Self-Insurance Fund #106 for increase ins premium
10122000	CC	Records and Elections	8010	Departmental expense	5,843				(5,843)	Various departmental expenses
10128400	MS	Budget/Payroll	8010	Departmental expense	5,000				(5,000)	Replace existing shredder in the Payroll office
10130000	DS	Develop Svs Admin	8118	Environmental services	2,900				(2,900)	Phase I environmental study for potential prop acq
10130000	DS	Develop Svs Admin	8130	Other professional services	27,000				(27,000)	Slovene Hall bldg rehabilitation plan
10130000	DS	Develop Svs Admin	8130	Other professional services	22,000				(22,000)	Regional air quality & gas emission trends study
10132100	BS	Inspection Services	8130	Other professional services	300,000				(300,000)	Addtl on-call inspection svcs thru year end
10132200	BS	Plan Check Services	8130	Other professional services	50,000				(50,000)	Addtl plan check svcs thru year end
10132200	BS	Plan Check Services	8130	Other professional services	12,000				(12,000)	Temporary help to assist with customer service
10136005	ENG	Traffic/Streets	8130	Other professional services	30,000				(30,000)	Removal of abandoned traffic comm facility towers
10138205	PW	Pools	8130	Other professional services	28,210				(28,210)	Installation of concrete barrier wall @ Martin Tudor Pk
10138104	PW	Street Maintenance	8790	Operating transfers out				3,900,000	(3,900,000)	Xfer to Cap Reinv Fund #601 for pavement mgmt
10140100	POL	Administrative Svcs	8019	Communications	6,000				(6,000)	Additional EOC emergency satellite phones
10140107	POL	Police Facilities	8013	Equip (non-comp) <\$5000	22,810				(22,810)	Purchase & replace worn out and damaged office chairs
10140108	POL	Jail Services	8130	Other professional services	194,870				(194,870)	Addt funds to cover G4S jail service contract
10140229	POL	ICAC	8032	Outsourced svcs (HW/SW)	11,130				(11,130)	Computer forensic software to assist in investigations
10140352	POL	Community Programs	8210	Vehicle maintenance	1,000				(1,000)	Swapping blue unit #9649 with unit #94358
10140352	POL	Community Programs	8130	Other professional services	500				(500)	Additional vehicle parts for swapped unit #94358
10140366	POL	Gangs	8210	Vehicle maintenance	(5,750)				5,750	Swapping blue unit #7091 with unit #94600
10140366	POL	Gangs	8130	Other professional services	500				(500)	Additional vehicle parts for swapped unit #94600
10140369	POL	RRT	8130	Other professional services	500				(500)	Addtl vehicle parts needed after swapping blue unit #7988 with unit #94486
10140379	POL	COAST	8010	Departmental expense	10,000				(10,000)	Supplies/equip related to assist in daily tasks
10140379	POL	COAST	8210	Vehicle maintenance	9,370				(9,370)	Annual O&M for new unit #94199

City of Fontana
Recommended Adjustments
FY 2021/2022

Budget Unit Project #	Dept	Description	Account	Description	Appropriations	Revenues	Transfers In	Transfers Out	FB Impact	Reason
Carryovers:										
10110200	CA	City Administration	8115	Consulting services	78,530				(78,530)	Carryover purchase orders from FY 20/21
10110200	CA	City Administration	8010	Departmental expense	5,000				(5,000)	Rollover unencumbered funds from FY20/21 to cover
10110400	CA	Marketing & Communication	8010	Departmental expense	28,000				(28,000)	office equipment purchases
10110500	CA	Economic Development	8018	Conference & meetings	17,000				(17,000)	Rollover FY20/21 funds to cover ICSC Las Vegas
10120100	AS	Business Development	8130	Other professional services	33,500				(33,500)	Carryover purchase orders from FY 20/21
10124000	CS	Community Svcs Admin	8014	Computer hardware <\$5K	11,574				(11,574)	Carryover purchase orders from FY 20/21
10128200	MS	Accounting	8130	Other professional services	39,196				(39,196)	Carryover purchase orders from FY 20/21
10132100	BS	Inspection Services	8130	Other professional services	11,990				(11,990)	Carryover purchase orders from FY 20/21
10134100	CD	Planning	8130	Other professional services	130,537				(130,537)	Carryover purchase orders from FY 20/21
10136004	ENG	Land Development	8130	Other professional services	100,854				(100,854)	Carryover purchase orders from FY 20/21
10138202	PW	Parks	8130	Other professional services	5,880				(5,880)	Carryover purchase orders from FY 20/21
10140231	POL	Police Facilities	8030	Equipment maintenance	655,784				(655,784)	Carryover purchase orders from FY 20/21
Various	POL	Various	8012	Uniform expense	19,320				(19,320)	Rollover FY20-21 funds for bullet proof vests
10140228	POL	Field Evidence Unit	Various operating accounts		13,220				(13,220)	Rollover FY20-21 funds to set up new FET position

City of Fontana
Recommended Adjustments
FY 2021/2022

Budget Unit Project #	Dept	Description	Account	Description	Appropriations	Revenues	Transfers In	Transfers Out	FB Impact	Reason
102 City Technology					290,107	0	0	0	(290,107)	
10226101	IT	Information Systems	Various expense accounts		255,201				(255,201)	Carryover purchase orders from FY 20/21
10226203	IT	Computer Program	8014 Computer hardware <\$5000		14,131				(14,131)	Carryover purchase orders from FY 20/21
10226204	IT	Network	8315 Computer hardware >\$5000		20,775				(20,775)	Carryover purchase orders from FY 20/21
103 Facility Maintenance					69,616	0	0	0	(69,616)	
10326202	IT	Communications	8019 Communications		12,416				(12,416)	Carryover purchase orders from FY 20/21
10338317	PW	PW Facilities Repair	8130 Other professional services		10,200				(10,200)	Carryover purchase orders from FY 20/21
10338317	PW	PW Facilities Repair	8130 Other professional services		47,000				(47,000)	Contract cost increase for HVAC services
104 Office of Emergency Services					5,142,973	5,142,973	0	0	0	
10428008	MS	Treasury ERA1	5311			95,683			95,683	FY21/22 allocation to Emergency Rental Assistance
10428008	MS	Treasury ERA1	8028	City program	95,683				(95,683)	(ERA) funds for Admin fees
10428009	MS	Treasury ERA2	5311			5,047,290			5,047,290	Increase rev & exo budget for the participation in the
10428009	MS	Treasury ERA2	8028	City program	5,047,290				(5,047,290)	State Rental Assistance Program 2 as approved by Council 10/12/21
106 Self Insurance					600,000	7,770	600,000	0	7,770	
10615001	HR	Workers' Compensation	6429	Workers' comp charges		7,770			7,770	Adjust W/C rev based on new personnel requests
10615200	HR	Risk Liability	6900	Operating transfers in			600,000		600,000	Transfer from GF to cover increased costs of annual
10615200	HR	Risk Liability	8130	Other professional services	600,000				(600,000)	City insurance premium
110 General Fund Operating Projects					66,482	0	276,883	210,401	0	
02420001-110-B	CS	OmniTrans-FCSC Transp	6900	Operating transfer in			12,000		12,000	Xfer from GF for addtl funding needed to purchase
02420001-110-B	CS	OmniTrans-FCSC Transp	8319	Vehicles	12,000				(12,000)	OmniTrans/Senior transportation bus
04010004-110-A	POL	Enterprise Fleet Management	6900	Operating transfers in			127,550		127,550	Xfer from Fleet Fund #751 Capital Recovery amount
04010004-110-A	POL	Enterprise Fleet Management	6900	Operating transfers in			141,970		141,970	collected in prior fiscal year and xfer from the GF the
04010004-110-A	POL	Enterprise Fleet Management	8030	Maintenance equipment	50,000				(50,000)	O&M and Capital Recovery amount budgeted in the
04010004-110-A	POL	Enterprise Fleet Management	8420	Lease payment expense	219,520				(219,520)	current fiscal year to pay the 5-year lease agreement
04032033-110-A	POL	Bike Patrol-CDBG Pub Sfty	6900	Operating transfers in			(4,637)		(4,637)	Decrease xfer from GF since FY21/22 CDBG Grant
04032033-110-A	POL	Bike Patrol-CDBG Pub Sfty	7010	Full-time employees	(4,637)				4,637	allocation was higher than anticipated.
11040200	POL	Field Services Admin	8790	Operating transfer out				210,401	(210,401)	Xfer back to General Fund remaining personnel budget
0402000X-110-A	POL	2020 COPS Grant	Various personnel accounts		(149,294)				149,294	not used in FY20/21
04032033-110-A	POL	Bike Patrol-CDBG Pub Sfty	Various personnel accounts		(61,108)				61,108	
125 Storm Water Compliance					10,327	0	0	0	(10,327)	
12536001	ENG	Plan Check Engineering	8130	Other professional services	10,327				(10,327)	Carryover purchase orders from FY 20/21
222 Crime Prevention Asset Seizure					2,669	0	0	0	(2,669)	
22240353	POL	Explorer Program	8010	Departmental expense	2,669				(2,669)	Carryover purchase orders from FY 20/21
223 Federal Asset Seizure					41,500	0	0	0	(41,500)	
22340373	POL	Federal Seizures	8013	Equip (non-comp) <\$5000	41,500				(41,500)	Purchase of additional tasers for PD

City of Fontana
Recommended Adjustments
FY 2021/2022

Budget Unit Project #	Dept	Description	Account	Description	Appropriations	Revenues	Transfers In	Transfers Out	FB Impact	Reason
225	PD Traffic Safety				104,694	0	0	0	(104,694)	
22540362	POL	Traffic Safety	8032	Outsourced svcs (HW/SW)	102,000				(102,000)	Crossroads Software & Integration CC approved 9/14/21
22540362	POL	Traffic Safety	8012	Uniform expense	2,694				(2,694)	Carryover purchase orders from FY 20/21
241	Air Quality Mgmt District				50,050	0	0	0	(50,050)	
24136000	ENG	AQMD - Engineering	8030	Equipment maint	20,050				(20,050)	Addtl funding for SBCTA Co-op Agreement 16-1001389 approved in FY18-19
36003339-241-C	ENG	Alder-Locust-Ramona SRTS	8312	Land acquisition expense	30,000				(30,000)	Addtl funding needed to cover ROW contract svcs
245	Measure I 2010-2040 Riemb				3,333,894	3,333,894	0	0	0	
36003333-245-A	ENG	Foothill:Hemlock-Almeria	5348	Measure I 2010-2040		88,270			88,270	Additional funding needed for the design & environmental work for the Malaga Bridge project
36003333-245-A	ENG	Foothill:Hemlock-Almeria	8130	Other professional services	88,270				(88,270)	
36003350-245-A	ENG	Etiwanda/Slover Arterial	5348	Measure I 2010-2040		1,358,000			1,358,000	Addtl funding needed to cover ROW & construction cost for the Etiwanda/Slover Project
36003350-245-A	ENG	Etiwanda/Slover Arterial		Various expense accounts	1,358,000				(1,358,000)	
36003281-245-A	ENG	Sierra:Foothill-Baseline Art	5348	Measure I 2010-2040		1,887,624			1,887,624	Addtl funding needed to cover ROW & construction cost for the Sierra:Foothill-Baseline Arterial project
36003281-245-A	ENG	Sierra:Foothill-Baseline Art		Various expense accounts	1,887,624				(1,887,624)	
246	Measure I 2010-2040 Local				3,398,230	0	0	0	(3,398,230)	
Various	ENG	Measure I Programs		Various expense accounts	77,123				(77,123)	Carryover purchase orders from FY 20/21
36000003-246-B	ENG	Fontana SRTS Gap Closure	8329	Other construction	20,000				(20,000)	Addtl funding to cover design phase as approved by Council on 7/27/21, File #21-729
36000022-246-A	ENG	SR-210 @ Beech Ave TS	8329	Other construction	500,000				(500,000)	New traffic signal at SR-210/Beech Ave Intersection
36000023-246-A	ENG	Fiber Optic/Heritage Cir & Sierra	8329	Other construction	373,000				(373,000)	Install Fiber Optic to provide traffic signal connectivity per Communication Network Master Plan
36003307-246-A	ENG	Valley/Almond TS	8329	Other construction	60,000				(60,000)	Addtl funding to cover increase in TS construction
36003341-246-A	ENG	Cherry/Live Oak TS Mod	8329	Other construction	630,000				(630,000)	Additional funding to cover roadway improvements
36003355-246-A	ENG	Citrus/Ceres Traffic Signal	8329	Other construction	525,000				(525,000)	Increase in the engineer's estimate and costs related to SCRRRA coordination
36003370-246-A	ENG	Foothill/Alder Curb Ramp	8329	Other construction	230,000				(230,000)	Addtl funding to cover increase in construction as approved by Council on 9/14/21, File #21-853
36003382-246-A	ENG	Mango So Highland TS	8329	Other construction	650,000				(650,000)	Addtl funding to cover increase in TS construction
36003384-246-A	ENG	FS78 Citrus/Chase TS	8329	Other construction	440,000				(440,000)	Addtl funding to cover increase in TS construction
36003363-246-A	ENG	TMC Earmark	8112	Engineering services	(14,352)				14,352	Project complete, return remaining funds to FB
36003363-246-A	ENG	TMC Earmark	8329	Other construction	(92,542)				92,542	Project complete, return remaining funds to FB
282	Solid Waste Mitigation				572	0	0	0	(572)	
28238101	PW	Storm Drain	8130	Other professional services	572				(572)	Carryover purchase orders from FY 20/21
301	Grants				466,996	31,444	0	0	(435,552)	
30128001	MS	Emergency Op Services Grant	8330	Construction contracts	210,552				(210,552)	Carryover purchase orders from FY 20/21
30134099	CD	Comm Develop Grant Project	5390	Misc Grant Reimb		(225,000)			(225,000)	Decrease FY21/22 revenue budget posted in error
36003363-301-A	ENG	TMC Earmark	6480			(100,101)			(100,101)	Project has been completed, return remaining balances to fund balance
36003363-301-A	ENG	TMC Earmark	8112	Engineering services					100,101	
30140340	POL	ABC Shldr Tap Grant E	5390	Misc grant reimb		26,545			26,545	ABC Grant Award #21-APP16 as approved by Council CC 9/14/21 File #21-734
30140340	POL	ABC Shldr Tap Grant E		Various expense accounts	26,545				(26,545)	
04032039-301-A	POL	OTS 2019 Grant	5325	Police OTS reimb		330,000			330,000	Increase revenues and appropriate expenditures in the STEP Grant as approved by Council 10/26/21
04032039-301-A	POL	OTS 2019 Grant		Various expense accounts	330,000				(330,000)	

City of Fontana
Recommended Adjustments
FY 2021/2022

Budget Unit Project #	Dept	Description	Account	Description	Appropriations	Revenues	Transfers In	Transfers Out	FB Impact	Reason
321	Fed Law Enf Block Grant				250,000	250,000	0	0	0	
0402000X-321-A	POL	2020 COPS Grant	5321	Federal law enforcement		250,000			250,000	} Increase rev/exp as per new 2020 COPS Grant Award accepted by Council on
0402000X-321-A	POL	JAG Grant		Vaiours personnel accounts	250,000				(250,000)	
322	State COPS AB 3229				81,103	0	0	0	(81,103)	
32240233	POL	Air Support	8130	Other professional services	81,103				(81,103)	Carryover purchase orders from FY 20/21
362	CDBG				3,700,050	3,790,095	0	0	90,045	
36220207	AS	Emergency Solutions Grnt	8115	Consultant services	2,709				(2,709)	Carryover purchase orders from FY 20/21
36220210	AS	ESG-CV1	8115	Consultant services	204,631				(204,631)	Carryover purchase orders from FY 20/21
36220212	AS	ESG-CV2	8115	Consultant services	1,551,093				(1,551,093)	Carryover purchase orders from FY 20/21
36220200	AS	CDBG-CV Admin	5328	CDBG grant reimbursement		313,072			313,072	}
36220206	AS	CDBG Housing Admin	5328	CDBG grant reimbursement		142,682			142,682	}
36220206	AS	CDBG Housing Admin	5328	CDBG grant reimbursement		(142,682)			(142,682)	}
02023859-362-A	AS	CDBG Project - TBD	5328	CDBG grant reimbursement		142,682			142,682	}
36220207	AS	Emergency Solutions Grnt	5328	CDBG grant reimbursement		10,763			10,763	}
36220209	AS	CDBG-CV Hsg Assistance	5328	CDBG grant reimbursement		1,259,291			1,259,291	}
36220210	AS	ESG-CV1	5328	CDBG grant reimbursement		259,881			259,881	}
36220212	AS	ESG-CV2	5328	CDBG grant reimbursement		1,723,436			1,723,436	}
36220213	AS	CDBG CSD Program	5328	CDBG grant reimbursement		50,883			50,883	}
36220213	AS	CDBG CSD Program	5328	CDBG grant reimbursement		(50,883)			(50,883)	}
02023859-362-A	AS	CDBG Project - TBD	5328	CDBG grant reimbursement		50,883			50,883	} Re-appropriate FY20-21 CDBG-CV Admin, Mortgage Funding, ESGV-CV 1 and 2, ESG Fund and CDBG CSD Funds. Close out CDBG Admin and CDBG CSD balances and transfer to CDBG Project TBD
36220200	AS	CDBG-CV Admin	8130	Other professional services	313,072				(313,072)	
36220206	AS	CDBG Housing Admin		Various operating accounts	104,627				(104,627)	}
36220206	AS	CDBG Housing Admin		Various operating accounts	(104,627)				104,627	}
02023859-362-A	AS	CDBG Project - TBD	8329	Other construction	104,627				(104,627)	}
36220207	AS	Emergency Solutions Grnt		Various operating accounts	8,053				(8,053)	}
36220209	AS	CDBG-CV Hsg Assistance		Various operating accounts	1,245,033				(1,245,033)	}
36220210	AS	ESG-CV1		Various operating accounts	55,250				(55,250)	}
36220212	AS	ESG-CV2		Various operating accounts	172,343				(172,343)	}
36220213	AS	CDBG CSD Program	8028	City programs	50,883				(50,883)	}
36220213	AS	CDBG CSD Program	8028	City programs	(50,883)				50,883	}
02023859-362-A	AS	CDBG Project - TBD	8329	Other construction	50,883				(50,883)	}
36220206	AS	CDBG Housing Admin	5328	CDBG grant reimbursement		6,183			6,183	}
36220207	AS	Emergency Solutions Grnt	5328	CDBG grant reimbursement		6			6	}
02000001-362-C	AS	CDBG Acq/Rehab Rental	5328	CDBG grant reimbursement		20,119			20,119	} Adjust revenues and expenditures for CDBG Housing Funds, Emergency Solutions Grant and CDBG Acq/Rehab Loan program to match FY21/22 HUD Allocation
02023860-362-F	AS	Housing Rehab Loan Prog	5328	CDBG grant reimbursement		(858)			(858)	
36220206	AS	CDBG Housing Admin	8130	Other professional services	(62,167)				62,167	}
02000001-362-C	AS	CDBG Acq/Rehab Rental	8329	Other construction	20,119				(20,119)	}
02023860-362-F	AS	Housing Rehab Loan Prog	8119	Construction non-capital	(858)				858	}
02023838-362-A	AS	Neighborhood Stab Prog-NSP1	8130	Other professional services	625				(625)	} Appropriate program income
02023847-362-A	AS	Neighborhood Stab Prog-NSP3	8130	Other professional services	30,000				(30,000)	
02023865-362-A	AS	CDBG Sewer Connection	5328	CDBG grant reimbursement		(390,701)			390,701	}
02023859-362-A	AS	CDBG Project - TBD	5328	CDBG grant reimbursement		390,701			390,701	} Close out CDBG Sewer project and xfer balance to CDBG Project TBD
02023865-362-A	AS	CDBG Sewer Connection		Various expense accounts	(390,701)				390,701	
02023859-362-A	AS	CDBG Project - TBD	8329	Other construction	390,701				(390,701)	}
04032033-362-A	POL	Bike Patrol-CDBG Pub Safety	5328	CDBG grant reimbursement		4,637			4,637	} Increase corresponding expenditure and revenue budget to FY21/22 HUD allocations for CDBG
04032033-362-A	POL	Bike Patrol-CDBG Pub Safety	7010	Full-time employees	4,637				(4,637)	

City of Fontana
Recommended Adjustments
FY 2021/2022

Budget Unit Project #	Dept	Description	Account	Description	Appropriations	Revenues	Transfers In	Transfers Out	FB Impact	Reason
363 Home Program					2,706,149	2,629,023	0	0	(77,126)	
36320200	AS	Home Program	5328	CDBG grant reimbursement		38,717			38,717 }	
36320200	AS	Home Program		Various expense accounts	31,588				(31,588) }	Re-appropriate funds from FY20/21 Home Admin
36320200	AS	Home Program	5328	CDBG grant reimbursement		7			7 }	
02023861-363-A	AS	Home Project TBD	5328	CDBG grant reimbursement		3			3 }	Adjust budget to match FY21/22 Home Hud Allocation
02023861-363-A	AS	Home Project TBD	8130	Other professional services	3				(3) }	
03020004-363-A	AS	Home ARP TBD	5328	CDBG grant reimbursement		2,633,658			2,633,658 }	Appropriate American Rescue Plan (ARP) Home Funds
03020004-363-A	AS	Home ARP TBD	8310	Land	2,633,658				(2,633,658) }	
02023861-363-A	AS	Home Project TBD	5338	Program income		(43,362)			(43,362) }	Correct 3rd qtr transaction posted in error
02023861-363-A	AS	Home Project TBD	8130	Other professional services	2,867				(2,867) }	Appropriate prog income from Ceres Ct Apts
02023861-363-A	AS	Home Project TBD	8130	Other professional services	31,436				(31,436) }	Appropriate prog income from Laurel Woods
02023861-363-A	AS	Home Project TBD	8130	Other professional services	6,597				(6,597) }	Appropriate prog income from El Molino Loan payoff
385 After School Program					0	0	0	0	0	
38524101	CS	FASP-After School Admin	8130	Other professional services	7,675				(7,675) }	Carryover purchase orders from FY 20/21
38524101	CS	FASP-After School Admin	7020	Workers' comp	(7,650)				7,650 }	Xfer to GF as the ASSES grant does not allow for
38524101	CS	FASP-After School Admin	8010	Departmental expense	(25)				25 }	workers' comp charges
395 LMD #1 (Citywide)					526,000	0	0	0	(526,000)	
39538275	PW	Annexation No. 25	8329	Other construction	526,000				(526,000) }	Additional funds needed to replace wrought iron fencing in LMD #1 - Walnut Village
396 LMD #2 Village of Heritage					315,840	0	275,000	0	(40,840)	
Various	PW	Landscape Maintenance		Various operating expense accounts	40,840				(40,840) }	Carryover purchase orders from FY 20/21
39638209	PW	Landscape Maintenance	6900	Operating transfer in			275,000		275,000 }	Xfer from Cap Improvement Fund #602 to convert 14 existing potable landscape irrigation meters to recycled water source
39638209	PW	Landscape Maintenance	8329	Other construction	275,000				(275,000) }	
398 LMD #3 Hunter's Ridge					88,955	0	0	0	(88,955)	
Various	PW	Parks		Various opera Other professional services	83,385				(83,385) }	Carryover purchase orders from FY 20/21
39838209	PW	Landscape Maintenance	8130	Other professional services	5,570				(5,570) }	Replacement of plant material on Cherry Ave median
401 CFD #1 Southridge Village					22,586	0	0	0	(22,586)	
Various	PW	Parks		Various operating expense accounts	8,976				(8,976) }	Carryover purchase orders from FY 20/21
38200004-401-A	PW	Shadow Park Restroom	8330		13,610				(13,610) }	Additional funding to ensure ADA compliance
405 CFD #6-1 Stratham					6,790	0	0	0	(6,790)	
40538209	PW	Landscape Maintenance	8130	Other professional services	6,790				(6,790) }	Funding to replace Fontana Star community signage
406 CFD #6 The Landings					36,188	0	0	0	(36,188)	
Various	PW	Parks		Various operating expense accounts	36,188				(36,188) }	Carryover purchase orders from FY 20/21
407 CFD #7 Country Club Estates					313	0	0	0	(313)	
40738210	PW	Technical Services	8010	Department Expense	313				(313) }	Carryover purchase orders from FY 20/21
408 CFD #8 Presley Estates					112,534	0	0	0	(112,534)	
Various	PW	Parks		Various operating expense accounts	112,534				(112,534) }	Carryover purchase orders from FY 20/21
412 CFD #12 Sierra Lakes					10,171	0	0	0	(10,171)	
41238210	PW	Technical Services	8010	Department Expense	10,171				(10,171) }	Carryover purchase orders from FY 20/21

City of Fontana
Recommended Adjustments
FY 2021/2022

Budget Unit Project #		Dept	Description	Account	Description	Appropriations	Revenues	Transfers In	Transfers Out	FB Impact	Reason
413	CFD #13M Summit Heights					5,615	0	0	0	(5,615)	
	41338209	PW	Landscape Maintenance	8130	Other professional services	5,240				(5,240)	Irrigation pump replacement
	41338210	PW	Technical Services	8010	Department Expense	375				(375)	Carryover purchase orders from FY 20/21
414	CFD #14M Sycamore Hills					7,753	0	0	0	(7,753)	
	Various	PW	Various	Various operating expense accounts		7,753				(7,753)	Carryover purchase orders from FY 20/21
424	CFD #24M					1,620	0	0	0	(1,620)	
	42438209	PW	Landscape Maintenance	8130	Other professional services	1,620				(1,620)	Renovation of landscape area near fountain
435	CFD #35M					35,961	0	0	0	(35,961)	
	Various	PW	Various	8130	Other professional services	32,401				(32,401)	Carryover purchase orders from FY 20/21
	43538209	PW	Landscape Maintenance	8130	Other professional services	3,560				(3,560)	Landscape damaged due to vehicle accident
481	CFD #81M					767	0	0	0	(767)	
	48138210	PW	Technical Services	8010	Departmental expense	767				(767)	Carryover purchase orders from FY 20/21
485	CFD #85M					22,374	0	0	0	(22,374)	
	48538209	PW	Landscape Maintenance	8130	Other professional services	22,374				(22,374)	Carryover purchase orders from FY 20/21
505	CFD #105M					7,100	46,180	0	0	39,080	
	50538209	PW	Landscape Maintenance	6210	Assessment/special tax		46,180			46,180	} New landscape area in CFD #105 - City is scheduled to accept area in December 2021
	50538209	PW	Landscape Maintenance	Various expense accounts		6,000				(6,000)	
	50538201	PW	Graffiti	8010	Departmental expense	650				(650)	
	50538208	PW	Street Lights	8020	Utilities	450				(450)	
601	Capital Reinvestment					3,900,000	0	3,900,000	0	0	
	60138104	PW	Street Maintenance	6900	Operating transfers in			3,900,000		3,900,000	} Project is complete, transfer remaining fund balance to the Misc Project
	38104103-601-A	MS	Miscellaneous Project	8330	Construction contract	3,900,000				(3,900,000)	
602	Capital Improvements					0	1,000,000	0	275,000	725,000	
	60230000	ENG	Special Projects	6450	Miscellaneous		1,000,000			1,000,000	Arboretum Development Agreement public benefit fee
	60238200	PW	Parks & Landscape Admin	8790	Operating transfer out				275,000	(275,000)	Xfer to LMD#2 VOH Fund #396 to replace irrigation meters
603	Future Capital Project					135,295	0	0	0	(135,295)	
	38304337-603-A	PW	Microgrid Project (EE)	8320	Capital acquisition	130,000				(130,000)	Relocate microgrid battery system to PD
	38304337-603-E	PW	Microgrid Project (EE)	8330	Construction contract	5,295				(5,295)	SCE application fee for SGIP program
622	Storm Drain					680,000	0	0	0	(680,000)	
	62236000	ENG	Stirn Drain Admin	8130	Other professional services	50,000				(50,000)	Southridge Apartments storm drain hydrology study
	62236027	ENG	Stirn Drain Admin	8330	Contracts	630,000				(630,000)	Project complete, return remaining funds to FB
630	Circulation Mitigation					1,576,106	0	0	0	(1,576,106)	
	36003333-630-A	ENG	Foothill:Hemlock-Almeria	8130	Other professional services	41,730				(41,730)	} DIF match to cover design/environmental work for Malaga Project
	36003350-630-A	ENG	Etiwanda/Slover Arterial	Various expense accounts		642,000				(642,000)	
	36003281-630-A	ENG	Sierra:Foothill-Baseline Art	Various expense accounts		892,376				(892,376)	Additional ROW match funding needed for project

City of Fontana
Recommended Adjustments
FY 2021/2022

Budget Unit Project #	Dept	Description	Account	Description	Appropriations	Revenues	Transfers In	Transfers Out	FB Impact	Reason
633	Landscape Improvements				2,890,000	0	0	0	(2,890,000)	
36000020-633-A	ENG	Jurupa Ave Landsape Med	8329	Construction contracts	2,890,000				(2,890,000)	Construction of landscape raised median on Jurupa Ave between Calabash & Hemlock
635	Park Development				(2,463,444)	0	0	0	2,463,444	
63538211	PW	Park Development	8130	Other professional services	3,530				(3,530)	Carryover purchase orders from FY 20/21
38204249-635-A	PW	Central City park		Various expense accounts	(2,466,974)				2,466,974	Project complete, return remaining funds to FB
653	CFD #7 Club Estates				1,634,476	1,640,357	0	0	5,881	
65336000	ENG	CFD #7 Club States	6810	Bond proceeds		1,445,000			1,445,000	To record sales of bonds - CFD #7
65336000	ENG	CFD #7 Club States	6811	Bond premium		195,357			195,357	
65336000	ENG	CFD #7 Club States	8720	Bond defeasance	1,520,081				(1,520,081)	
65336000	ENG	CFD #7 Club States	8721	Cost of issuance	18,931				(18,931)	
65336000	ENG	CFD #7 Club States	8721	Cost of issuance	95,464				(95,464)	To record payment request #1 from costs of issuance
654	CFD #11 Heritage West				3,397,690	3,398,861	0	0	1,171	
65436000	ENG	CFD #11 Heritage West	6810	Bond proceeds		2,995,000			2,995,000	To record sales of bonds - CFD #11 Heritage West
65436000	ENG	CFD #11 Heritage West	6811	Bond premium		403,861			403,861	
65436000	ENG	CFD #11 Heritage West	8720	Bond defeasance	3,253,627				(3,253,627)	
65436000	ENG	CFD #11 Heritage West	8721	Cost of issuance	33,809				(33,809)	
65436000	ENG	CFD #11 Heritage West	8721	Cost of issuance	110,254				(110,254)	To record payment request #1 from costs of issuance
655	CFD #12 Sierra Lakes				11,497,053	11,505,510	0	0	8,457	
65536000	ENG	CFD #12 Sierra Lakes	6810	Bond proceeds		9,950,000			9,950,000	To record sales of bonds - CFD #12 Sierra Lakes
65536000	ENG	CFD #12 Sierra Lakes	6811	Bond premium		1,555,510			1,555,510	
65536000	ENG	CFD #12 Sierra Lakes	8720	Bond defeasance	11,290,925				(11,290,925)	
65536000	ENG	CFD #12 Sierra Lakes	8721	Cost of issuance	103,866				(103,866)	
65536000	ENG	CFD #12 Sierra Lakes	8721	Cost of issuance	102,262				(102,262)	To record payment request #1 from costs of issuance
658	CFD #37 Montelago				2,501,547	2,503,294	0	0	1,747	
65836000	ENG	CFD #37 Montelago	6810	Bond proceeds		2,135,000			2,135,000	To record sales of bonds - CFD #37 Montelago
65836000	ENG	CFD #37 Montelago	6811	Bond premium		368,294			368,294	
65836000	ENG	CFD #37 Montelago	8720	Bond defeasance	2,376,689				(2,376,689)	
65836000	ENG	CFD #37 Montelago	8721	Cost of issuance	27,824				(27,824)	
65836000	ENG	CFD #37 Montelago	8721	Cost of issuance	97,034				(97,034)	To record payment request #1 from costs of issuance
659	CFD #70 Avellino				2,261,859	2,262,565	0	0	706	
65936000	ENG	CFD #59 Avellino	6810	Bond proceeds		1,975,000			1,975,000	To record sales of bonds - CFD #70 Avellino
65936000	ENG	CFD #59 Avellino	6811	Bond premium		287,565			287,565	
65936000	ENG	CFD #59 Avellino	8720	Bond defeasance	2,137,369				(2,137,369)	
65936000	ENG	CFD #59 Avellino	8721	Cost of issuance	31,136				(31,136)	
65936000	ENG	CFD #59 Avellino	8721	Cost of issuance	93,354				(93,354)	To record payment request #1 from costs of issuance
665	CFD #85 The Meadows				2,602,211	0	0	0	(2,602,211)	
66536000		CFD #85 The Meadows	8320	Capital Acquisition	2,602,211				(2,602,211)	North Fontana Investments Co
670	CFD #87 El Paseo				325,048	5,784,516	0	0	5,459,468	
67036000	ENG	CFD #87 El Paseo	6810	Bond proceeds		5,090,556			5,090,556	To record sales of bonds - CFD #87 El Paseo
67036000	ENG	CFD #87 El Paseo	6811	Bond premium		693,960			693,960	
67036000	ENG	CFD #87 El Paseo	8721	Cost of issuance	73,504				(73,504)	
67036000	ENG	CFD #87 El Paseo	8721	Cost of issuance	251,544				(251,544)	

City of Fontana
Recommended Adjustments
FY 2021/2022

Budget Unit Project #	Dept	Description	Account	Description	Appropriations	Revenues	Transfers In	Transfers Out	FB Impact	Reason
701	Sewer Maintenance & Operations				266,958	0	0	0	(266,958)	
70138111	PW	Sewer Treatment	8130	Other professional services	46,080				(46,080)	Addtl funds for IEUA sewer service cost
70138114	PW	Sewer Maintenance	8130	Other professional services	190,000				(190,000)	Installation of SCADA system to monitor sewer lift/pump station network
70138114	PW	Sewer Maintenance	8130	Other professional services	30,878				(30,878)	Carryover purchase orders from FY 20/21
702	Sewer Capital Projects				3,100	0	0	0	(3,100)	
70238115	PW	Sewer Construction	8411	Interest	3,100				(3,100)	Addtl funding needed for SWRCB annual forcemain
703	Sewer Replacement				10,600	0	0	0	(10,600)	
70338117	PW	Sewer Line Replacement	8112	Engineering Services	10,600				(10,600)	Carryover purchase orders from FY 20/21
751	Fleet Operations				1,277,541	(137,350)	0	127,550	(1,542,441)	
75138305	PW	Fleet Maintenance	6710	Motorpool charges		4,620			4,620	Adjust revenue due to vehicle additions
75138305	PW	Fleet Maintenance	6710	Motorpool charges		(141,970)			(141,970)	Units to be sold per Master Equity Lease Agreement
75138305	PW	Fleet Maintenance	8790	Operating transfers out				127,550	(127,550)	Xfer to GF Operating Project Fund #110 for Master Equity Lease Agreement
75138305	PW	Fleet Maintenance		Various expenditure accounts	59,299				(59,299)	Carryover purchase orders from FY 20/21
75138306	PW	Fleet Replacement		Various expenditure accounts	1,111,112				(1,111,112)	Carryover purchase orders from FY 20/21
75138306	PW	Fleet Replacement	8319	Vehicles	32,180				(32,180)	Purchase replacement unit #93279 (unit #0380 damaged)
75138306	PW	Fleet Replacement	8319	Vehicles	74,950				(74,950)	Replace unit #1831 dump truck for Parks division
<i>Total operating transfers</i>							<u>5,051,883</u>	<u>612,951</u>		

RESOLUTION NO. 2021 -

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA
ADOPTING REVISED JOB DESCRIPTIONS FOR SPECIFIC
CLASSIFICATIONS THROUGHOUT THE CITY**

WHEREAS, the City Council of the City of Fontana has adopted the Personnel Rules and Regulations which incorporate the City's Classification Plan; and

WHEREAS, the Classification Plan is not a static plan and requires revision to reflect organizational changes and needs.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF FONTANA
RESOLVES AS FOLLOWS:**

SECTION 1. To adopt the revised job descriptions for specific classifications within the Executive group including Chief Financial Officer/Director of Management Services, Police Chief, and Deputy City Manager.

SECTION 2. To adopt the revised job descriptions for specific classifications within the Management Confidential group including Administrative Secretary, Economic Development Analyst, Engineering Manager, and Supervising Code Enforcement Inspector.

SECTION 3. To adopt the revised job descriptions for specific classifications within the Fontana Police Management Association including Police Captain, Police Lieutenant w/ Intermediate or Advanced Certificate, and Police Sergeant w/ Intermediate or Advanced Certificate.

SECTION 4. To adopt the revised job descriptions for specific classifications within the Fontana Police Officers' Association including Police Corporal w/ Intermediate or Advanced Certificate, Police Officer, Police Officer w/ Intermediate or Advanced Certificate, and Police Officer Trainee.

SECTION 5. To adopt the revised job description for the Police Cadet classification within the Part Time group.

EFFECTIVE DATE: October 27, 2021

APPROVED AND ADOPTED this 26th day of October, 2021.

READ AND APPROVED AS TO LEGAL FORM:

Resolution No.

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:

City Clerk of the City of Fontana

Mayor of the City of Fontana

Resolution 2021-

ATTEST:

City Clerk

**CITY OF FONTANA
CHIEF FINANCIAL OFFICER/DIRECTOR OF MANAGEMENT SERVICES**

DEFINITION: Under administrative direction from the City Manager or their designee, oversees and directs the financial affairs of the City. This position plans, directs and manages the activities and operations of the Management Services Department, coordinates assigned activities with other City departments and outside agencies, and provides highly responsible and complex administrative support to the City Manager or their designee. Exercises direct supervision over professional, technical, and clerical personnel.

ESSENTIAL FUNCTIONS: Duties may include, but are not limited to, the following:

- Direct and participate in the development and implementation of policies and procedures governing the operation of the Management Services Department which includes budget management, accounting services, payroll, purchasing, utility bill and treasury services.
- Develops and administers policies regarding investment of City funds under the guidelines and rules of the Government Code and invests funds accordingly.
- Ensures compliance with legislative, regulatory, and judicial mandates, regulations and professional standards.
- Responsible for the development of the City budget, including revenue forecasting, departmental budget reviews and budget recommendations to the City manager; presents budget and capital programs to City Council and other committees.
- Oversees and approves the preparation, examination and verification of financial documents and reports and coordinates audit activities with external auditors.
- Oversees the preparation and publication of all required governmental reports, regarding the financial condition of the City.
- Responsible for management of the City's investment portfolio, banking, and safekeeping agreements.
- Responsible for management of the City's debt management program.
- Maintains accounts payable and payroll systems for the disbursement of all monies in accordance with the City budget; maintains a general accounting system and control for all the offices, departments, and agencies of the City.
- Oversees the City's centralized Purchasing function.
- Oversees the billing and collection functions for the City's utility; oversees development and setting of utility rates in accordance with all legal requirements.
- Manages the collection of all taxes, special assessments, utility charges, license fees and other revenues collectible by the City.
- Prepares analytical, accounting and management reports as required.
- Assists in the general administration of the City as a member of the executive team by providing input into the problem-solving and decision-making process.
- Communicate clearly and concisely, both orally and in writing.
- Establish and maintain cooperative working relationships with those contacted in the course of work.
- Maintain prompt and regular attendance.

- Perform any other tasks or functions deemed necessary to the daily operations of the employer.
- This position is always evolving. Therefore, employer reserves the right to modify this job description as necessary.

THE ABOVE LIST OF ESSENTIAL FUNCTIONS IS NOT EXHAUSTIVE AND MAY BE SUPPLEMENTED AS NECESSARY BY THE EMPLOYER.

WORKING CONDITIONS: Position requires prolonged sitting, standing, walking, reaching, twisting, turning, kneeling, bending, squatting, and stooping in the performance of daily activities. The position also requires grasping, repetitive hand movement and fine coordination in preparing reports using a computer keyboard. Additionally, this position requires near and far vision in reading written reports and work-related documents. Acute hearing is required when working with the phone.

EXPERIENCE AND TRAINING GUIDELINES

A combination of experience and training that would provide the required knowledge is qualifying. The incumbent must have knowledge of:

- Principles and practices of municipal budgeting (operating and capital).
- Governmental accounting, taxation, and finance; GAAP and GASB accounting standards and pronouncements.
- Municipal financing techniques including bonds, special districts, fees, lease/purchases, and private/public partnerships.
- Laws and regulations governing public sector revenue instruments.
- Principles and practices of governmental procurement and contract management requirements.
- Municipal investment strategies and practices; debt management and financial analysis including revenue forecasting and long rates financial planning.
- Auditing principles and practices.
- Principles of supervision, training and performance evaluation, organizational development, and management.

Experience: Eight (8) years of broad and extensive professional experience in government budget administration, fiscal operations, accounting, and auditing, with at least five (5) years with a municipality or governmental agency and supervisory experience. Or a combination of education and experience which provides the required knowledge and abilities.

Education: A Bachelor's Degree from an accredited college or university with major coursework in Accounting, Business Administration, Economics, Public Administration or a closely related field. MBA/MPA or C.P.A. preferred but not required.

License/Certifications: Possession of, and continuously throughout employment, a valid California Class "C" Driver's License or equivalent.

SUPPLEMENTAL INFORMATION: Successful candidates will be required to pass a drug screening, fingerprint screening, and physical examination. In addition, incumbents are required to complete a Statement of Economic Interest Form (700 Form) annually and ethics training bi-annually, pursuant to AB 1234.

CITY OF FONTANA POLICE CHIEF

DEFINITION: Under administrative direction from the City Manager, plans, directs and reviews the activities and operations of the Police Department; coordinates assigned activities with other City departments and outside agencies; establishes, grows, and preserves positive relationships between the community and the Police Department; and provides highly responsible and complex administrative support to the City Manager. Exercises direct supervision over sworn and non-sworn staff.

ESSENTIAL FUNCTIONS: The incumbent must have the ability to:

- Develop, plan, and implement Department goals and objectives; recommend and administer policies and procedures.
- Coordinate Department activities with those of other departments and outside agencies and organizations; provide staff assistance to the City Manager and City Council; prepare and present staff reports and other necessary correspondence.
- Direct, oversee and participate in the development of the Department's work plan; assign work activities, projects and programs; monitor work flow; review and evaluate work products, methods and procedures.
- Supervise and participate in the development and administration of the Police Department budget; direct the forecast of additional funds needed for staffing, equipment, materials, and supplies; monitor and approve expenditures; implement mid-year adjustments.
- Select, train, motivate and evaluate personnel; provide or coordinate staff training; work with employees to correct deficiencies; implement discipline and termination procedures.
- Initiate internal investigations when appropriate and provide corrective action as needed.
- Confer with citizens and City officials on laws enforcement problems and assist in the development of innovative municipal laws enforcement policies.
- Participate on a variety of boards and commissions; attend and participate in professional groups and committees such as City, county and state police conferences and meetings with other public officials.
- Ensure responsive, appropriate service delivery by conferring with civic, professional, service, fraternal and other community groups.
- Preserve and strive to improve the quality of life within the community by using various policing techniques, such as problem-solving policing and intelligence-led policing strategies that encourage and build positive relationships between the Fontana Police Department and the community.
- Emphasize community interaction and collaborative problem solving between the Fontana Police Department and the community; continue to build diverse community-based partnerships guided by innovation and perseverance to ensure Fontana's future as a well-developed, dignified, and respected community.
- Attend civic, professional, service and community group meetings; explain the activities and functions of the Police Department..
- Coordinate law enforcement activities with the activities of other City departments and other law enforcement agencies.
- Maintain prompt and regular attendance.

- Perform any other tasks and functions deemed necessary to the daily operations of the employer.
- This position is always evolving. Therefore, employer reserves the right to modify this job description as necessary.

THE ABOVE LIST OF ESSENTIAL FUNCTIONS IS NOT EXHAUSTIVE AND MAY BE SUPPLEMENTED AS NECESSARY BY THE EMPLOYER.

WORKING CONDITIONS: Positions requires prolonged sitting, standing, walking, reaching, twisting, turning, kneeling, bending, squatting, and stooping in the performance of daily activities. The position also requires grasping, repetitive hand movement, and fine coordination in preparing reports using a computer keyboard. Additionally, the position requires near, far, and color vision in viewing crime scenes and evidence and firing a weapon. As a law enforcement officer, the incumbent may be required to run in pursuit and subdue suspects while taking them into custody; walk on uneven and slippery surfaces, and climb ladders. Occasionally, this position may be required to work outdoors in all weather conditions, around loud noise, and moving vehicles. Incumbents may also be subjected to physical threats, verbal abuse, and other stressful situations.

EXPERIENCE AND TRAINING GUIDELINES

A combination of experience and training that would likely provide the required knowledge and abilities is qualifying. The employee must have the knowledge of:

- Modern principles, practices and techniques of police administration, organization and operation.
- Organizational and management practices as applied to the analysis and evaluation of programs, policies and operational needs.
- Technical and administrative phases of crime prevention and law enforcement, including investigation and identification, patrol, traffic control, records management, care and custody of persons and property and environmental protection.
- Standards by which the quality of police service is evaluated and the use of police records and their application to police services.
- Principles and practices of organization, administration and personnel management.
- Principles and practices of budget preparation and administration.
- Principles of supervision, training and performance evaluation.
- Pertinent Federal, State, and local laws, codes and regulations.
- Types and uses of firearms and other modern police equipment.

Ability to:

- Analyze problems, identify alternative solutions, project consequences of proposed actions, and implement recommendations in support of goals, all while being free from any bias against race or ethnicity, gender, nationality, religion, disability, sexual orientation, etc.
- Plan, prioritize and direct the work of Police Department personnel.
- Develop and administer sound departmental policies.
- Prepare and administer a Department budget.

- Interpret and apply Federal, State and local policies, procedures, laws and regulations.
- Act quickly and calmly in emergencies.
- Initiate and implement procedural changes.
- Meet the physical requirements necessary to safely and effectively perform the assigned duties.
- Communicate clearly and concisely, both orally and writing.
- Select, supervise, train and evaluate assigned staff.
- Demonstrate and encourage strong critical thinking and collaborative problem-solving techniques.
- Establish and maintain cooperative working relationships with those contacted in the course of work including a variety of City and other government officials, community groups and the general public.

Experience: Eight years of broad and extensive supervisory experience in municipal police work, including three years in an administrative capacity.

Education: Equivalent to a Bachelor's degree from an accredited college or university with major course work in police science, public or business administration or a related field.

Licenses/Certifications: Possession of, and continuously throughout employment, a valid California Class "C" Driver's License or equivalent. Possession of a P.O.S.T. Management Certificate.

SUPPLEMENTAL INFORMATION: Successful candidates will be required to pass a drug screening, fingerprint screening, physical examination and a background investigation. In addition, incumbents are required to complete a Statement of Economic Interest Form (700 Form) annually and ethics training bi-annually, pursuant to AB 1234.

**CITY OF FONTANA
DEPUTY CITY MANAGER**

DEFINITION: To plan, organize, direct, and review the operations and services of the assigned City departments and divisions; assist the City Manager in planning, directing, and reviewing the activities and operations of the City including development and implementation of City policies and procedures; and to provide highly responsible and complex administrative support to the City Manager. Exercises direct supervision over administrative, professional, technical, and clerical staff.

ESSENTIAL FUNCTIONS: The incumbent must have the ability to:

- Direct, manage, and assume responsibility for all assigned department services and activities; direct organization, staffing, and operational activities.
- Participate in developing, planning, and implementing goals and objectives for the City; recommend and administer policies and procedures.
- Select, train, motivate, and evaluate personnel; work with employees to correct deficiencies; implement discipline and termination procedures.
- Oversee service delivery methods to ensure the efficient delivery of quality City services; develop and implement service delivery improvements to maximize available City resources.
- Provide highly responsible administrative staff assistance to the City Manager; conduct specific and comprehensive analysis of a wide range of municipal policies involving organization, procedures, finance, and services.
- Coordinate activities with those of other departments and outside agencies and organizations; provide staff assistance to the City Manager and City Council.
- Conduct research and develop recommendations on City-wide work methods, operating policy and procedures, programs, services, and other administrative issues; observe program operations; analyze findings and implications; prepare and present staff reports and other correspondence.
- Negotiate contracts and solutions on a variety of administrative, fiscal, and special projects; participate in the preparation of program or special project budgets; analyze and prepare recommendations on budget requests; monitor appropriate budget accounts.
- Represent the City Manager at meetings by making presentations to explain program or project status; answer questions or arrange for compilation of data to assist in decision-making process.
- Administer specific program activities by planning, organizing, and supervising activities; establish and implement, with approval, operating policies and procedures.
- Participate in the development and administration of the City budget; direct the forecast of funds needed for staffing, equipment, materials, and supplies; monitor and approve expenditures; implement mid-year adjustments.
- Respond to and resolve difficult and sensitive citizen inquiries and complaints.
- Serve as Acting City Manager as required.
- Communicate clearly and concisely, both orally and in writing.
- Establish and maintain cooperative working relationships with those contacted in the course of work.
- Maintain prompt and regular attendance.

- Perform any other tasks or functions deemed necessary to the daily operations of the employer.
- This position is always evolving. Therefore, employer reserves the right to modify this job description as necessary.

THE ABOVE LIST OF ESSENTIAL FUNCTIONS IS NOT EXHAUSTIVE AND MAY BE SUPPLEMENTED AS NECESSARY BY THE EMPLOYER

WORKING CONDITIONS: Position requires prolonged sitting, standing, walking, reaching, twisting, turning, kneeling, bending, squatting, and stooping in the performance of daily activities. The position also requires grasping, repetitive hand movement and fine coordination in preparing reports using a computer keyboard. Additionally, this position requires near and far vision in reading written reports and work-related documents. Acute hearing is required when working with the phone.

EXPERIENCE AND TRAINING GUIDELINES:

A combination of experience and training that would provide the required knowledge and abilities is qualifying. The incumbent must have knowledge of:

- Modern and highly complex principles and practices of municipal administration, departments, organization, and economic development functions and services.
- Current social, political, and economic trends and operating problems of municipal government.
- Organizational and management practices as applied to the analysis and evaluation of programs, policies, and operational needs.
- Principles and practices of municipal government budget preparation and administration.
- Principles and practices of organization, administration, and personnel management.
- Research and reporting methods, techniques, and procedures.
- Sources of information related to a broad range of municipal programs, services, and administration.
- Understanding of regulatory compliance with Federal, State, and local laws, City ordinances, and Departmental policies.
- Principles of supervision, training, and performance evaluation.

Ability to:

- Provide effective leadership and coordinate the activities of the municipal organization.
- Effectively administer a variety of City-wide programs and administrative and budgetary activities.
- Analyze, interpret, summarize, and present administrative and technical information and data in an effective manner.
- Analyze problems, identify alternative solutions, project consequences or proposed actions, and implement recommendations in support of goals.
- Effectively and fairly negotiate appropriate solutions and contracts.
- Gain cooperation through discussion and persuasion.

- Supervise, train, and evaluate assigned staff, including directing department heads in policy implementation.
- Assist in developing, administering, coordinating, and monitoring a large municipal budget.
- Evaluate and develop improvements in operations, procedures, policies, or methods.
- Prepare clear and concise reports and develop appropriate recommendations.

Experience: Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be seven (7) years of increasingly responsible administrative experience in municipal government, including three (3) years of administrative and supervisory responsibility.

Training: Equivalent to a Bachelor's Degree from an accredited college or university with major coursework in Business Administration, Public Administration, or a closely related field.

License/Certifications: Possession of, and continuously throughout employment, a valid California Class "C" Driver's License or equivalent.

SUPPLEMENTAL INFORMATION: Successful candidates will be required to pass a drug screening, fingerprint screening, and physical examination. In addition, incumbents are required to complete a Statement of Economic Interest Form (700 Form) annually and ethics training bi-annually, pursuant to AB 1234.

CITY OF FONTANA ADMINISTRATIVE SECRETARY

DEFINITION: Under general supervision from the Department Director, performs a variety of highly responsible, confidential, and complex secretarial and administrative duties in providing staff assistance to the Department Director and other management staff.

ESSENTIAL FUNCTIONS: The employee must have the ability to:

- Type and proofread a wide variety of reports, letters, and memos; type from rough draft, verbal instructions, shorthand notes, and/or recordings; independently compose correspondence related to assigned responsibilities.
- Provide general clerical and administrative support to Department Director and staff; screen calls, visitors, and mail; respond to sensitive requests for information and assistance; maintain appointment schedules and calendars; make travel arrangements; process personnel, payroll, and purchasing information.
- Sort, code, scan, organize, and maintain complex technical filing systems and records such as payroll, attendance, budget, production, and costs records; maintain manuals and update resource materials.
- Perform specialized projects including collecting, compiling, and summarizing information obtained.
- Order and maintain office equipment and supplies; order stationary, business cards and supplies for Department Director and staff as required.
- Assist in the preparation of departmental budgets, monitor budget expenditures.
- Participate in special projects; compile and analyze data as assigned.
- May serve as secretary to a board or commission; prepare the agenda and assemble background materials; transcribe minutes of the meetings and perform related support services.
- Establish and maintain cooperative working relationships with those contacted in the course of work.
- Communicate clearly and concisely, both orally and in writing.
- Maintain prompt and regular attendance.
- Perform any other tasks deemed necessary to the daily operations of the employer.
- This position is always evolving. Therefore, employer reserves the right to modify this job description as necessary.

THE ABOVE LIST OF ESSENTIAL FUNCTIONS IS NOT EXHAUSTIVE AND MAY BE SUPPLEMENTED AS NECESSARY BY THE EMPLOYER.

WORKING CONDITIONS: Position requires prolonged sitting, standing, walking, reaching, twisting, turning, kneeling, bending, and stooping in the performance of daily activities. The position also requires grasping, repetitive hand movement and fine coordination in preparing reports using a computer keyboard. Additionally, the position requires near and far vision when preparing and reading written reports and other work-related documents. Acute hearing is also required when providing phone and counter assistance.

EXPERIENCE AND TRAINING GUIDELINES

A combination of experience and training that would likely provide the required knowledge and abilities is qualifying. The employee must have knowledge and a background in the following:

- Principles and procedures of advanced record keeping and reporting.
- Principles and practices of classifying, indexing, processing, retrieving, and controlling a large volume of records.
- Basic procedures and techniques of budget preparation and accounting.
- Principles and techniques of business letter writing.
- English usage, spelling, grammar, and punctuation.
- Sound judgement and attention to detail.
- Thorough mastery of modern office procedures and practices
- Expertise in using computer equipment and software, including word processing applications such as Microsoft Office Suite, at an advanced level.
- Procedures, policies, and operating details of municipal government.

Ability to:

- Plan, organize, and carry out administrative work to meet deadlines.
- Handle highly sensitive information and maintain confidentiality.
- Compose correspondence and business letters from brief instructions.
- Provide administrative support for a broad range of areas.
- Maintain a Department Director's and other management staff's working calendars, schedule appointments and meetings.
- Learn, interpret, and apply Federal, State, local and department policies, procedures, laws, and regulations.
- Perform responsible and complex secretarial work involving the use of independent judgment.
- Analyze situations carefully and adopt effective courses of action.
- Maintain confidential data and information for executive staff.
- Independently prepare and respond to routine correspondence and memorandums.
- Operate a variety of modern office equipment, including a personal computer, telephone, and electronic devices.
- Transcribe dictation at a speed necessary for successful job performance.
- Review operational problems and develop, evaluate, and recommend proposed solutions
- Perform specialized projects including collecting, compiling, and summarizing information obtained.

EXPERIENCE AND EDUCATION:

Experience: Four (4) years of increasingly responsible secretarial experience, including at least one (1) to two (2) years of experience supporting senior level management. Municipal/public sector government experience is highly desirable.

Education: Equivalent to the completion of the twelfth grade, supplemented by specialized secretarial and clerical training. An Associate's Degree is preferred.

Skills: A typing speed of 50 net wpm.

LICENSES/CERTIFICATIONS: Possession of, and continuously throughout employment, a valid California Class "C" Driver's License or equivalent.

SUPPLEMENTAL INFORMATION: Successful candidates will be required to pass a drug screening, fingerprint screening, and physical examination.

CITY OF FONTANA ECONOMIC DEVELOPMENT ANALYST

DEFINITION: Under direction of the City Manager or his/her designee, supervises, organizes, and participates in support activities for the Economic Development Divisions; performs a variety of complex professional tasks involved in the development, analysis and evaluation of Economic Development programs and budgets; and conducts special studies and analysis as required.

ESSENTIAL FUNCTIONS: The incumbent must have the ability to:

- Point of contact for organizations, private businesses, developers, brokers, public agencies, property owners, and the general public for economic development enterprises.
- Plan, organize, and oversee the attraction, expansion, and retention of economic development City-wide.
- Plan, prioritize, coordinate, assign, supervise, and review the work of staff involved in the analysis and development of Economic Development programs and services, including those that encourage commercial and industrial development; schedule and review activities to ensure that work is completed in a timely and appropriate manner; direct and participate in special studies.
- Remain abreast of emerging trends in economic development; attend conferences and trade shows.
- Develop and review budget allocation proposals for Economic Development Division; develop and coordinate policies and procedures for the budget development process; monitor Division expenditures.
- Evaluate operations and activities of Economic Development Division; recommend improvements and modifications; prepare various reports on operations and activities.
- Participate in the selection of staff; provide or coordinate staff training; work with employees to correct deficiencies; implement discipline procedures.
- Lead and participate in complex financial analyses of proposed policy changes; serve as a liaison between departmental management teams; provide information and analytical support involving major projects of City-wide interest.
- Answer questions and provide information to department staff concerning technical or statistical issues; investigate problems and recommend corrective action as necessary to resolve problems.
- Design, plan, supervise, and participate in a variety of studies; provide recommendations for improving the efficiency of Economic Division.
- Coordinate unit activities with those of other departments and divisions.
- Attend and participate in meetings and committees.
- Coordinate departmental purchasing activities including negotiation with vendors and suppliers of necessary department materials and equipment.
- Communicate clearly and concisely, both orally and in writing, to technical as well as non-technical individuals.
- Establish and maintain cooperative working relationships with those contacted in the course of work.
- Maintain prompt and regular attendance.

- Other duties as assigned.
- This position is always evolving. Therefore, employer reserves the right to modify this job description as necessary.

THE ABOVE LIST OF ESSENTIAL FUNCTIONS IS NOT EXHAUSTIVE AND MAY BE SUPPLEMENTED AS NECESSARY BY THE EMPLOYER.

WORKING CONDITIONS: Position requires prolonged sitting, standing, walking, reaching, twisting, turning, kneeling, bending, squatting, and stooping in the performance of daily activities. The position also requires grasping, repetitive hand movement, and fine coordination in preparing statistical reports and data using a computer keyboard. Additionally, the position requires near vision in reading correspondence, statistical data and using a computer, and acute hearing is required when providing phone service and communicating in person. The need to lift, drag, and push files, computer reports, or other materials weighing up to 25 pounds also is required.

EXPERIENCE AND TRAINING GUIDELINES:

A combination of experience and training that would provide the required knowledge and abilities is qualifying. The incumbent must have knowledge of:

- Principles and practices of public administration and public finance
- Principles of supervision, training and performance evaluation
- Commercial real estate best practices and land use development
- Principles and practices of budget development
- Principles of economics, financial analysis, and cost-benefit analysis
- Principles of statistics and research
- Pertinent Federal, State and local laws, codes and regulations

Experience: Three (3) years of responsible experience in the evaluation of management systems, programs and budgets including one year of lead responsibility. Demonstrated experience in commercial real estate best practices and land use development

Education: Bachelor's degree from an accredited college or university with major coursework in business or public administration, personnel or a related field. Work experience may be substituted for the education requirement on a year for year basis, with a minimum of five (5) years' experience equating to a bachelor's degree, equating to eight (8) years total work experience.

Licenses/Certifications: Possession of, and continuously throughout employment, a valid California Class "C" Driver's License or equivalent.

SUPPLEMENTAL INFORMATION: Successful candidates will be required to pass a drug screening, fingerprint screening, and physical examination. In addition, incumbents are required to complete a Statement of Economic Interest Form (700 Form) annually and ethics training bi-annually, pursuant to AB 1234.

CITY OF FONTANA ENGINEERING MANAGER

DEFINITION: Under direction of the City Engineer, plans, organizes and supervises professional and technical operations related to Engineering matters affecting the City. This position also manages and directs the activities, programs and staff of the Engineering Department.

ESSENTIAL FUNCTIONS: The incumbent must have the ability to:

- Plan, organize, control, manage, and evaluate the work of the Engineering section with subordinate supervisors and staff, participate in establishing operational plans and initiatives to meet department goals and objectives; implement departmental plans, work programs, processes, procedures and policies required to achieve overall department performance results; coordinate and integrate department functions and responsibilities to achieve optimal efficiency and effectiveness, participate in developing and monitoring performance against the annual departmental budget.
- Plan and evaluate the performance of assigned staff; establish performance requirements and personal development targets; monitor performance and provide coaching for performance improvement and development; provide or recommend compensation and other rewards to recognize performance; take disciplinary action, up to and including termination, to address performance deficiencies, subject to management concurrence, in accordance with the City's policies and procedures and labor contract provisions.
- Provide the day-to-day leadership and work with staff to ensure a high performance, customer service-oriented work environment which supports achieving City objectives and service expectations; provide leadership and participate in programs and activities that promote a positive employee relations environment.
- Manage and direct the activities and staff involved in the daily administration of the Engineering Section; develop work programs and establishes program priorities; provide technical leadership and policy guidance and communicates management objectives to City management and staff; review and approve work performed by staff; manage sensitive community issues; manage the development, implementation and operations of programs designed to improve or maintain neighborhood livability; develop new programs to address the City's emerging traffic needs; manage contracts for consultants providing traffic engineering services; coordinates traffic services with other City departments.
- Manage multiple engineering projects including the supervision of professional, technical and consulting staff.
- Ensure compliance with Federal, State and local rules, laws and regulations.
- Analyze problems, identify alternative solutions, and implement recommendations in support of goals.
- Develop departmental budgetary information for proposed projects; administer, coordinate and monitor budgets for assigned projects.
- Prepare and maintain comprehensive records, prepare project progress reports, technical reports and recommendations.

- Provide direct supervision to professional and technical staff; participate in recommending the appointment of personnel; provide or coordinate staff training; and work with employees to correct deficiencies.
- Communicate clearly and concisely, both orally and in writing, to technical as well as non-technical individuals.
- Establish and maintain cooperative working relationships with those contacted in the course of work.
- Maintain prompt and regular attendance.
- Other duties as assigned.
- This position is always evolving. Therefore, employer reserves the right to modify this job description as necessary.

THE ABOVE LIST OF ESSENTIAL FUNCTIONS IS NOT EXHAUSTIVE AND MAY BE SUPPLEMENTED AS NECESSARY BY THE EMPLOYER.

WORKING CONDITIONS: While performing the duties of this job, the employee is regularly required to sit, stand, walk, reach, turn, kneel, bend, squat; both in the office and field work activities. This position also requires grasping, repetitive hand movement and fine coordination in preparing reports and other data, using a computer keyboard. Additionally, the position requires near and far vision in reading correspondence and using the computer. Acute hearing is required when providing telephone and personal service to customers and consultants. The nature of the job requires the incumbent to drive motorized vehicles, exposure to outside temperatures and often work with numerous to constant interruptions; the incumbent is also regularly required to use written and oral communication skills; read and interpret complex data, information and documents; analyze and solve complex problems; use math/mathematical reasoning; perform high detailed work under changing, intensive deadlines, on multiple concurrent tasks; interact with City management, staff, representatives of other public agencies, the public and others encountered in the course of work.

EXPERIENCE AND TRAINING GUIDELINES:

A combination of experience and training that would provide the required knowledge and abilities is qualifying. The incumbent must have knowledge of:

- Principles and practices of Engineering, with particular emphasis on long range planning and capital improvement programs.
- Pertinent Federal, State and local laws, codes and regulations.
- Recent developments, current literature and sources of information regarding Engineering.
- Principles and practices of budget preparation and administration.
- Principles and practices of project management.
- Principles and supervision, training and performance evaluation.
- Principles and practices of grant administration.

EXPERIENCE: Five (5) years of increasingly responsible professional Engineering which included two (2) years of lead supervisory and project management responsibility.

TRAINING: Equivalent to the completion of a Bachelor's degree from an accredited college or university with major coursework in Engineering or a closely related field.

LICENSES/CERTIFICATIONS: Possession of a valid certificate of registration as a Professional Civil Engineer in the State of California. Possession of a valid Class "C" Driver's License or equivalent.

SUPPLEMENTAL INFORMATION: Successful candidates will be required to pass a drug screening, fingerprint screening, and physical examination. In addition, incumbents are required to complete a Statement of Economic Interest Form (700 Form) annually and ethics training bi-annually, pursuant to AB 1234.

**CITY OF FONTANA
SUPERVISING CODE ENFORCEMENT INSPECTOR**

DEFINITION: Under general supervision of the Community Improvement Program Manager, this position will provide direct supervision of code enforcement inspection staff and support personnel; administration of the City's Weed/Rubbish Abatement contracts; provide information and assistance to the public and may assist in preparation of the Division operating budget.

ESSENTIAL FUNCTIONS: The incumbent must have the ability to:

- Recommend and assist in the implementation of Unit goals and objectives; implement policies and procedures.
- Provide direct supervision over subordinate staff, including periodic performance reviews and evaluations.
- Provide technical assistance and training to Unit staff in areas of specialization.
- Participate in recruitment and selection of Unit staff; provide or coordinate staff training; provide hands-on guidance to staff to correct performance deficiencies; initiate and implement disciplinary procedures.
- Answer questions and handle complaints regarding zoning, public nuisance, substandard housing, inoperative vehicles, and weed abatement violations.
- Handle complaints from staff, other departments, City Manager's office, Council, and the public.
- Oversee the coordination of Code Enforcement activities with other City departments/divisions, County, State, or Federal agencies.
- Perform field inspections as directed or required.
- Assist staff with the more difficult, complex, sensitive aspects of the job.
- Maintain detailed records, logs, and files.
- Prepare City Council and Planning Commission staff reports as directed.
- Assist in administration of the City's Weed/Rubbish abatement programs.
- Participate in preparation and administration of the Unit budget.
- Act in the absence of the Community Improvement Program Manager.
- Communicate clearly and concisely, both orally and in writing.
- Establish and maintain cooperative working relationships with those contacted in the line of duty.
- Perform other tasks or functions deemed necessary to the daily operations of the employer.
- Maintain prompt and regular attendance.
- This position is always evolving. Therefore, employer reserves the right to modify this job description as necessary.

THE ABOVE LIST OF ESSENTIAL FUNCTIONS IS NOT EXHAUSTIVE AND MAY BE SUPPLEMENTED AS NECESSARY BY THE EMPLOYER.

WORKING CONDITIONS: The position requires sitting, standing, walking, reaching, twisting, turning, kneeling, bending, stooping, squatting and crouching in the performance

of daily duties. Requires grasping, repetitive hand movement and fine coordination in preparing reports and using a computer keyboard and mouse. The need to lift, carry and push tools, equipment, and supplies weighing up to 25 lbs is required. Employee may be required to work in all weather conditions including wet, hot, cold and in the presence of fumes, dust and other airborne contaminants. The position also requires both near and far vision when inspecting work and reading written material, as well as acute hearing when providing telephone service.

EXPERIENCE AND TRAINING GUIDELINES: A combination of training that provides the required knowledge and abilities is qualifying. The employee must have knowledge of:

- Considerable knowledge of principles and practices of code enforcement programs and procedures including knowledge of the Uniform Building, Plumbing, Mechanical, Housing, International Zoning, International Property Maintenance, Uniform Code for the Abatement of Dangerous Buildings, and the National Electrical Code.
- Current legal research methods and techniques.
- Effective principles and procedures of supervision, training, motivation, and performance evaluation.
- Municipal budget preparation and administration.

Experience: Five (5) years of experience as a Code Enforcement Inspector for a public agency, which includes investigating and interpreting ordinance violations related to land use, building construction, zoning, and public nuisances.

Education: Completion of the twelfth Grade or GED, supplemented by specialized college level course work in Planning, Geography, Construction Science, Criminal Justice, Public Administration, Business Administration or a closely related field. A Bachelor's degree is highly desirable.

License/Certificate: Possession of, and continuously throughout employment, a valid California Class "C" Driver's License or equivalent; a POST PC 832 Certificate; and certification as a Certified Code Enforcement Officer by the California Association of Code Enforcement Officers (CACEO);-

SUPPLEMENTAL INFORMATION: Successful candidates will be required to pass a drug screening, fingerprint screening, and physical examination. In addition, incumbents are required to complete a Statement of Economic Interest Form (700 Form) annually and ethics training bi-annually, pursuant to AB 1234.

CITY OF FONTANA POLICE CAPTAIN

DEFINITION: Under general direction from the Police Chief, manages, directs and coordinates the activities of a division within the Police Department; coordinates assigned activities with other divisions within the department; establishes, grows, and preserves positive relationships between the community and the Police Department; and provides highly complex staff assistance to the Police Chief. Exercises direct supervision over subordinate sworn and non-sworn personnel.

ESSENTIAL FUNCTIONS: The incumbent must have the ability to:

- Participate in the development and implementation of division policies, goals, objectives and priorities.
- Plan, organize, manage and review the work activities of the assigned division.
- Direct, oversee and participate in the development of assigned division's work plan; assign work activities, projects and programs; monitors work flow; review and evaluate work products, methods and procedures.
- Participate in the development and administration of the division budget; assist in budget implementation; participate in the forecast of additional funds needed for staffing, equipment, materials, and supplies; recommend adjustments as necessary.
- Participate in the selection, training, motivation, and evaluation of personnel; provide or coordinate staff training; work with employees to correct deficiencies; recommend and implement discipline and termination procedures.
- Conduct studies and analyze the operations of assigned division; identify areas where improvement may be achieved; prepare related reports.
- Confer with citizens and City officials on law enforcement problems and assist in the development of innovative municipal law enforcement policies.
- Preserve and strive to improve the quality of life within the community by using various policing techniques, such as problem-solving policing and intelligence-led policing strategies that encourage and build positive relationships between the Fontana Police Department and the community.
- Emphasize community interaction and collaborative problem solving between the Fontana Police Department and the community; continue to build diverse community-based partnerships guided by innovation and perseverance to ensure Fontana's future as a well-developed, dignified, and respected community.
- Supervise enforcement of all laws and ordinances within the jurisdiction of the Department.
- Direct the provision of support services to operational activities of the Department; maintain data, statistics, and information necessary for police planning and management.
- Supervise the maintenance of departmental equipment including motor vehicles, weapons, ammunition, and related supplies and material.
- Formulate and disseminate departmental policies, procedures and directives; assist the Chief of Police with administrative matters.
- Participate on a variety of boards and committees; attend and participate in professional group meetings.

- May act as Police Chief in the absence of the Chief and as assigned.
- Maintain prompt and regular attendance.
- Perform any other tasks or functions deemed necessary to the daily operations of the employer.
- This position is always evolving. Therefore, employer reserves the right to modify this job description as necessary.

THE ABOVE LIST OF ESSENTIAL FUNCTIONS IS NOT EXHAUSTIVE AND MAY BE SUPPLEMENTED AS NECESSARY BY THE EMPLOYER.

WORKING CONDITIONS: Positions requires prolonged sitting, standing, walking, reaching, twisting, turning, kneeling, bending, squatting, and stooping in the performance of daily activities. The position also requires grasping, repetitive hand movement, and fine coordination in preparing reports using a computer keyboard. Additionally, the position requires near, far, and color vision in viewing crime scenes and evidence and firing a weapon. As a law enforcement officer, the incumbent may be required to run in pursuit and subdue suspects while taking them into custody; walk on uneven and slippery surfaces, and climb ladders. Occasionally, this position may be required to work outdoors in all weather conditions, around loud noise, and moving vehicles. Incumbents may also be subjected to physical threats, verbal abuse, and other stressful situations.

EXPERIENCE AND TRAINING GUIDELINES

A combination of experience and training that would likely provide the required knowledge and abilities is qualifying. The employee must have the knowledge of:

- Principles, practices and procedures of police administration, organization and operation.
- Laws, ordinances and regulations affecting the work of the Department including those governing traffic, criminal investigation, and arrest and prosecution.
- Technical and administrative phases of crime prevention and law enforcement including investigation and identification, patrol, traffic control, records management, and care and custody of property.
- Recent court decisions and how they affect department and division operations.
- Use of firearms and other modern police equipment.
- Principles and practices of organization and personnel management in a municipal government environment.
- Budgeting procedures and techniques.
- Principles of supervision, training and performance evaluation.
- Pertinent Federal, State, and local laws, codes and regulations.

Ability to:

- Analyze problems, identify alternative solutions, project consequences of proposed actions, and implement recommendations in support of goals, all while being free from

any bias against race or ethnicity, gender, nationality, religion, disability, sexual orientation, etc.

- Plan, direct, manage and coordinate the activities of a major police division.
- Communicate clearly and concisely, orally and in writing.
- Recommend and implement sound policies and procedures.
- Foster positive relationships between the community and the Police Department, including managing the public tactfully and effectively.
- Properly interpret and make decisions in accordance with the laws, regulation and policies.
- Act quickly and calmly in emergencies.
- Exhibit technical ability that commands respect of subordinates.
- Prepare clear and concise reports.
- Effectively administer a budget.
- Select, supervise, train and evaluate personnel.
- Demonstrate and encourage strong critical thinking and collaborative problem-solving techniques.
- Establish and maintain effective working relationships with those contacted in the course of work including a variety of City and other government officials, community groups, and the general public.

Experience: Appropriate experience with the Fontana Police Department.

Education: Equivalent to a Bachelor's degree from an accredited college or university with major course work in police science, law enforcement administration, criminal justice, public administration or a related field.

Licenses/Certificates: Possession of, and continuously throughout employment, a valid California Class "C" Driver's License or equivalent. Possession of a P.O.S.T. Management Certificate.

SUPPLEMENTAL INFORMATION: Successful candidates will be required to pass a drug screening, fingerprint screening, physical examination and a background investigation. In addition, incumbents are required to complete a Statement of Economic Interest Form (700 Form) annually and ethics training bi-annually, pursuant to AB 1234.

CITY OF FONTANA
POLICE LIEUTENANT W/ INTERMEDIATE CERTIFICATE
POLICE LIEUTENANT W/ ADVANCED CERTIFICATE

DEFINITION: Under general direction from Police Department Command Staff, performs responsible management, supervisory and technical police work over patrol or related operations including IVS/SWAT, K-9, field training programs and reserves; establishes, grows, and preserves positive relationships between the community and the Police Department; and provides responsible staff support to the department. Exercises direct supervision over subordinate sworn and non-sworn personnel.

ESSENTIAL FUNCTIONS: The incumbent must have the ability to:

- Recommend goals and objectives; assist in planning, developing, implementing and evaluating departmental programs, policies, procedures and rules; recommend modifications.
- Plan, organize and supervise the work of assigned field units; evaluate operations and activities in assigned areas; recommend improvements and modifications; prepare various reports on operations and activities.
- Review the work of subordinates to ensure compliance with departmental policies and procedures; participate in staff meetings to review Department services, procedures and activities.
- Plan, coordinate and supervise Patrol activities on an assigned shift; coordinate work activities and investigations between other shifts, divisions and departments; serve as Watch Commander; conduct studies and analyses as necessary; make procedural recommendations.
- Plan, coordinate and supervise the activities of the Investigations Unit; schedule assigned shift, beats and assignments; supervise and direct shooting investigations; act as a liaison to the Chief of Police, Police Captain and other management personnel concerning investigation activities.
- Identify opportunities for improving service delivery methods and procedures; review with appropriate management staff; implement improvements.
- Assume immediate command of police activities in the event of an emergency.
- Prepare, review, and coordinate performance evaluations for subordinate personnel; conduct internal investigation of citizen and officer complaints as assigned.
- Respond to major crime and accident scenes; supervise investigations, interviews and interrogations in the field; personally conduct highly complex or sensitive investigations.
- Participate in the selection, training, motivation, and evaluation of personnel; provide or coordinate staff training; work with employees to correct deficiencies; recommend and implement discipline and termination procedures.
- Participate in budget preparation and administration; prepare cost estimates for budget recommendations; submit justifications for additional staff and equipment; monitor and control expenditures.
- Assist in developing and conducting briefing sessions and community relations programs related to the various phases of police activities.

- Assist in coordinating police activities with other departments and divisions, and with outside agencies
- Preserve and strive to improve the quality of life within the community by using various policing techniques, such as problem-solving policing and intelligence-led policing strategies that encourage and build positive relationships between the Fontana Police Department and the community.
- Emphasize community interaction and collaborative problem solving between the Fontana Police Department and the community; continue to build diverse community-based partnerships guided by innovation and perseverance to ensure Fontana's future as a well-developed, dignified, and respected community.
- Prepare documents for various unit activities; prepare a variety of special and regularly scheduled reports.
- Respond to citizen complaints and requests for information; prepare press releases and confer with the media in matters related to assigned activities.
- May represent the department in professional organizations and committees.
- May serve in the absence of a Police Captain as assigned.
- Maintain prompt and regular attendance.
- Perform any other tasks or functions deemed necessary to the daily operations of the employer.
- This position is always evolving. Therefore, employer reserves the right to modify this job description as necessary.

THE ABOVE LIST OF ESSENTIAL FUNCTIONS IS NOT EXHAUSTIVE AND MAY BE SUPPLEMENTED AS NECESSARY BY THE EMPLOYER.

WORKING CONDITIONS: Positions requires prolonged sitting, standing, walking, reaching, twisting, turning, kneeling, bending, squatting, and stooping in the performance of daily activities. The position also requires grasping, repetitive hand movement, and fine coordination in preparing reports using a computer keyboard. Additionally, the position requires near, far, and color vision in viewing crime scenes and evidence and firing a weapon. As a law enforcement officer, the incumbent may be required to run in pursuit and subdue suspects while taking them into custody; walk on uneven and slippery surfaces, and climb ladders. Occasionally, this position may be required to work outdoors in all weather conditions, around loud noise, and moving vehicles. Incumbents may also be subjected to physical threats, verbal abuse, and other stressful situations.

EXPERIENCE AND TRAINING GUIDELINES

A combination of experience and training that would likely provide the required knowledge and abilities is qualifying. The employee must have the knowledge of:

- Modern police methods and procedures related to patrol, traffic control, and investigation and identification techniques.
- Principles and practices of organization and personnel management.

- Pertinent Federal, State and local laws and ordinances, particularly with reference to apprehension, arrest, search and seizure, evidence and records maintenance, court procedures and traffic control.
- Modern office procedures, methods and computer equipment.
- Departmental rules and regulations.
- Geography of the City.
- Police equipment, including firearms, communication equipment and computers.
- Recent court decisions and how they affect department and division operations.
- Bookkeeping and record keeping methods and procedures.
- Modern investigative methods.
- Principles and techniques of budget development and administration.
- Functions and objectives of Federal, State, and other local law enforcement agencies.

Ability to:

- Analyze problems, identify alternative solutions, project consequences of proposed actions, and implement recommendations in support of goals, all while being free from any bias against race or ethnicity, gender, nationality, religion, disability, sexual orientation, etc.
- Effectively plan, direct, supervise and coordinate the work of assigned personnel.
- Properly interpret and make decisions in accordance with laws, regulations and policies.
- Recommend improvements in operations, rules, regulations, and policies governing assigned areas of responsibility.
- Analyze situations quickly and objectively and determine proper course of action.
- Obtain information through interviews and interrogation.
- Understand and follow oral and written instructions.
- Foster positive relationships between the community and the Police Department, including managing the public tactfully and effectively.
- Communicate clearly and concisely, both orally and in writing.
- Supervise, train and evaluation assigned staff.
- Demonstrate and encourage strong critical thinking and collaborative problem-solving techniques.
- Establish and maintain effective working relationships with those contacted in the course of work including a variety of City and other government officials, community groups, and the general public.

Police Lieutenant w/ Intermediate Certificate

Experience: Two years of law enforcement experience as a Police Sergeant with the City of Fontana Police Department.

Training: Equivalent to an Associate of Arts degree from an accredited college or university with major course work in police science, law enforcement, criminal justice or a related field and eighteen units of upper division courses in a related field.

Licenses/Certificates: Possession of, and continuously throughout employment, a valid California Class "C" Driver's License or equivalent. Possession of a P.O.S.T. Intermediate Certificate.

Police Lieutenant w/ Advanced Certificate

In addition to the requirements for Police Lieutenant w/ Intermediate Certificate:

Licenses/Certificates: Possession of a P.O.S.T. Advanced Certificate.

SUPPLEMENTAL INFORMATION: Successful candidates will be required to pass a drug screening, fingerprint screening, physical examination and a background investigation. In addition, incumbents are required to complete a Statement of Economic Interest Form (700 Form) annually and ethics training bi-annually, pursuant to AB 1234.

CITY OF FONTANA
POLICE SERGEANT W/ INTERMEDIATE CERTIFICATE
POLICE SERGEANT W/ ADVANCED CERTIFICATE

DEFINITION: Under direction from a Lieutenant and/or Police Department Command Staff, supervise, assign and review police field operations on an assigned shift; supervise and participate in patrol investigation and other police activities; establish, grow, and preserve positive relationships between the community and the Police Department; and perform a variety of administrative and technical duties relative to assigned areas of responsibility. Exercises direct supervision over subordinate sworn and non-sworn personnel.

ESSENTIAL FUNCTIONS: The incumbent must have the ability to:

- Plan, direct and supervise the activities of officers assigned to field patrol and specialized operations; provide overall technical and administrative direction to personnel on an assigned shift.
- Supervise and participate in all normal shift duties as assigned, including enforcing local and State laws, issuing citations, making arrests, administering first aid and transporting offenders.
- Evaluate operations and activities of assigned responsibilities; recommend improvements and modifications; prepare various reports on operations and activities.
- Participate in training activities for departmental personnel; advise and instruct sworn and non-sworn staff regarding applicable policies, procedures and tactics.
- Plan, direct, and supervise activities of officers assigned to police investigations; provide overall technical and administrative direction to assigned personnel.
- Conduct briefing sessions; provide information regarding departmental policy and procedures.
- Attend staff meetings; participate in employee development activities as assigned; stay abreast of new trends and innovations in the field of law enforcement.
- Review the work of departmental personnel to ensure compliance with department policies and procedures; review reports submitted by officers to verify completeness and conformance to prescribed standards.
- Periodically conduct subordinate officers on shift; provide follow up on problems and complaints.
- Respond to major crimes, accident scenes and emergencies; assume initial command; contact and advise Watch Commander.
- Review all logs, reports and activities on assigned shift.
- Supervise the investigation of serious and fatal accidents; review accident reports; prepare monthly traffic enforcement statistics and reports.
- Plan, coordinate, and supervise traffic control activities for special events, parades, and street closures.
- Supervise and conduct criminal investigations including crimes against persons and property, narcotics, juvenile offenses, and related felony crimes; arrest suspects; testify in court.
- Supervise crime scene investigations; ensure collection, preservation, and proper handling of physical evidence and property.

- Preserve and strive to improve the quality of life within the community by using various policing techniques, such as problem-solving policing and intelligence-led policing strategies that encourage and build positive relationships between the Fontana Police Department and the community.
- Emphasize community interaction and collaborative problem solving between the Fontana Police Department and the community; continue to build diverse community-based partnerships guided by innovation and perseverance to ensure Fontana's future as a well-developed, dignified, and respected community.
- Issue and supervise proper maintenance of equipment.
- Analyze crime patterns and trends; prepare associated reports and statistics.
- Participate in the selection, training, motivation, and evaluation of personnel; provide or coordinate staff training; work with employees to correct deficiencies; recommend and implement discipline procedures.
- Serve as Watch Commander in the absence of a Lieutenant.
- Respond to requests and inquiries from the general public.
- Maintain prompt and regular attendance.
- Perform any other tasks or functions deemed necessary to the daily operations of the employer.
- This position is always evolving. Therefore, employer reserves the right to modify this job description as necessary.

THE ABOVE LIST OF ESSENTIAL FUNCTIONS IS NOT EXHAUSTIVE AND MAY BE SUPPLEMENTED AS NECESSARY BY THE EMPLOYER.

WORKING CONDITIONS: Positions requires prolonged sitting, standing, walking, reaching, twisting, turning, kneeling, bending, squatting, and stooping in the performance of daily activities. The position also requires grasping, repetitive hand movement, and fine coordination in preparing reports using a computer keyboard. Additionally, the position requires near, far, and color vision in viewing crime scenes and evidence and firing a weapon. As a law enforcement officer, the incumbent may be required to run in pursuit and subdue suspects while taking them into custody; walk on uneven and slippery surfaces, and climb ladders. Occasionally, this position may be required to work outdoors in all weather conditions, around loud noise, and moving vehicles. Incumbents may also be subjected to physical threats, verbal abuse, and other stressful situations.

EXPERIENCE AND TRAINING GUIDELINES

A combination of experience and training that would likely provide the required knowledge and abilities is qualifying. The employee must have the knowledge of:

- Modern police methods and procedures related to patrol, traffic control, crime prevention, and investigation and identification techniques.
- Departmental rules and regulations.
- Pertinent Federal, State and local laws and ordinances, particularly with reference to apprehension, arrest, custody of persons committing misdemeanors and felonies, rules of evidence, search and seizure,

- records maintenance, court procedures, traffic control, etc.
- Modern office procedures, methods and computer equipment.
- Basic report preparation.
- Geography of the City.
- Principles and practices of supervision, training and performance evaluation.
- Police equipment, including firearms, communication equipment and computers.
- Recent court decisions and how they affect department and division operations.
- Bookkeeping and record keeping methods and procedures.
- Modern investigative methods.
- Functions and objectives of Federal, State, and other local law enforcement agencies.

Ability to:

- Analyze problems, identify alternative solutions, project consequences of proposed actions, and implement recommendations in support of goals, all while being free from any bias against race or ethnicity, gender, nationality, religion, disability, sexual orientation, etc.
- Effectively plan, direct, supervise and coordinate the work of assigned personnel.
- Properly interpret and make decisions in accordance with laws, regulations and policies.
- Gather, assemble, analyze, evaluate and use facts and evidence.
- Analyze situations quickly and objectively and determine proper course of action.
- Obtain information through interviews and interrogation.
- Understand and follow oral and written instructions.
- Foster positive relationships between the community and the Police Department, including managing the public tactfully and effectively.
- Plan, coordinate and assign activities relative to areas of assigned responsibility.
- Use and care for firearms.
- Prepare accurate and grammatically correct written reports.
- Demonstrate keen powers of observation and memory.
- Communicate effectively, both orally and in writing.
- Demonstrate and encourage strong critical thinking and collaborative problem-solving techniques.
- Establish and maintain effective working relationships with those contacted in the course of work including a variety of City and other government officials, community groups, and the general public.

EXPERIENCE AND TRAINING GUIDELINES

Police Sergeant w/ Intermediate Certificate

Experience: Police Corporal w/ Intermediate or Advanced Certificate or Police Officer w/ Advanced Certificate with two years experience with the City of Fontana.

Training: Equivalent to an Associate of Arts degree with major course work in police science law enforcement, criminal justice or a related field.

Licenses/Certificates: Possession of, and continuously throughout employment, a valid California Class "C" Driver's License. Possession of P.O.S.T. Intermediate Certificate.

Police Sergeant w/ Advanced Certificate

In addition to the requirements for Police Sergeant w/ Intermediate Certificate:

Licenses/Certificates: Possession of a P.O.S.T. Advanced Certificate.

SUPPLEMENTAL INFORMATION: Successful candidates will be required to pass a drug screening, fingerprint screening, physical examination and a background investigation.

CITY OF FONTANA
POLICE CORPORAL W/ INTERMEDIATE CERTIFICATE
POLICE CORPORAL W/ ADVANCED CERTIFICATE

DEFINITION: Under direction from higher level Police Department supervisory or management staff, perform crime prevention and investigative work; enforce State and local regulations; participate in special crime prevention and enforcement programs; establish, grow, and preserve positive relationships between the community and the Police Department; and perform a variety of technical and administrative tasks in support of the department. Exercises technical and functional supervision over subordinate sworn personnel.

ESSENTIAL FUNCTIONS: The incumbent must have the ability to:

- Supervise and direct personnel at crime scenes.
- Respond to major crime scenes, accident scenes and emergencies; conduct investigations of serious and fatal traffic accidents.
- Conduct a variety of criminal investigations involving crimes against persons and property, auto theft, sex crimes, and narcotics; gather evidence and prepare cases for prosecution; investigate juvenile crimes including child abuse.
- Photograph and collect evidence at crime scene using a variety of techniques; collect fingerprints; ensure collection preservation and proper handling of physical evidence and property.
- Identify suspects; conduct interviews and interrogations with victims, complainants and witnesses; apprehend and arrest offenders; testify and present evidence in court.
- Coordinate youth services with outside agencies and organizations; conduct community presentations.
- Preserve and strive to improve the quality of life within the community by using various policing techniques, such as problem-solving policing and intelligence-led policing strategies that encourage and build positive relationships between the Fontana Police Department and the community.
- Emphasize community interaction and collaborative problem solving between the Fontana Police Department and the community; continue to build diverse community-based partnerships guided by innovation and perseverance to ensure Fontana's future as a well-developed, dignified, and respected community.
- Complete required reports and documentation relating to activities; review and approve the reports of Police Officers.
- Participate in the selection, training, motivation, and evaluation of personnel; provide or coordinate staff training; work with employees to correct deficiencies; recommend and implement discipline procedures.
- Serve warrants within the department and with outside agencies; remain current on laws and procedures required for processing warrants.
- Conduct covert, undercover investigations as assigned.
- Attend briefings as required.
- Contact and cooperate with other law enforcement agencies in matters relating to the apprehension of offenders and the investigation of offenses.

- Train new officers regarding departmental policies, procedures and activities as assigned.
- Participate in all normal shifts duties as assigned; enforce local and State laws, issue citations, administer first aid and transport offenders.
- May act as Watch Commander in the absence of a Sergeant.
- Perform special investigative and crime prevention duties as required.
- Maintain prompt and regular attendance.
- Perform any other tasks or functions deemed necessary to the daily operations of the employer.
- This position is always evolving. Therefore, employer reserves the right to modify this job description as necessary.

THE ABOVE LIST OF ESSENTIAL FUNCTIONS IS NOT EXHAUSTIVE AND MAY BE SUPPLEMENTED AS NECESSARY BY THE EMPLOYER.

WORKING CONDITIONS: Positions requires prolonged sitting, standing, walking, reaching, twisting, turning, kneeling, bending, squatting, and stooping in the performance of daily activities. The position also requires grasping, repetitive hand movement, and fine coordination in preparing reports using a computer keyboard. Additionally, the position requires near, far, and color vision in viewing crime scenes and evidence and firing a weapon. As a law enforcement officer, the incumbent may be required to run in pursuit and subdue suspects while taking them into custody; walk on uneven and slippery surfaces, and climb ladders. Occasionally, this position may be required to work outdoors in all weather conditions, around loud noise, and moving vehicles. Incumbents may also be subjected to physical threats, verbal abuse, and other stressful situations.

EXPERIENCE AND TRAINING GUIDELINES

A combination of experience and training that would likely provide the required knowledge and abilities is qualifying. The employee must have the knowledge of:

- Modern police methods and procedures related to patrol, traffic control, crime prevention, investigation and identification techniques.
- Pertinent Federal, State and local laws and ordinances, particularly with reference to apprehension, arrest, custody of persons committing misdemeanors and felonies, rules of evidence, search and seizure, records maintenance, court procedures, traffic control, etc.
- Modern office procedures, methods and computer equipment.
- Basic report preparation.
- Geography of the City.
- Police equipment, including firearms, communication equipment and computers.
- Recent court decisions and how they affect department and division operations.
- Bookkeeping and record keeping methods and procedures.
- Modern investigative methods.
- Functions and objectives of Federal, State, and other local law enforcement agencies.
- Offensive and defensive weapons nomenclature and theory.
- Department rules and regulations.

- Self-defense tactics.
- Crime patterns and trends in an assigned area.
- General social problems and community and social welfare agencies.
- First aid principles and techniques.
- Interviewing and interrogation techniques.

Ability to:

- Analyze problems, identify alternative solutions, project consequences of proposed actions, and implement recommendations in support of goals, all while being free from any bias against race or ethnicity, gender, nationality, religion, disability, sexual orientation, etc.
- Properly interpret and make decisions in accordance with laws, regulations and policies.
- Gather, assemble, analyze evaluate and use facts and evidence.
- Analyze situations quickly and objectively, and determine proper course of action.
- Obtain information through interviews and interrogation.
- Understand and carry out oral and written instructions.
- Foster positive relationships between the community and the Police Department, including managing the public tactfully and effectively.
- Communicate effectively, both orally and in writing.
- Use and care of firearms.
- Prepare accurate and grammatically correct written reports.
- Demonstrate keen powers of observation and memory.
- Demonstrate and encourage strong critical thinking and collaborative problem-solving techniques.
- Establish and maintain effective working relationships with those contacted in the course of work including a variety of City and other government officials, community groups, and the general public.

EXPERIENCE AND TRAINING GUIDELINES

Police Corporal w/ Intermediate Certificate

Experience: Non-probationary Police Officer w/ Intermediate Certificate with two years satisfactory performance with the Fontana Police Department.

Training: Equivalent to the completion of the twelfth grade supplemented by college level course work in police science, psychology, sociology or a related field.

Licenses/Certificates: Possession of, and continuously throughout employment, a valid California Class "C" Driver's License or equivalent. Possession of a P.O.S.T. Intermediate Certificate.

Police Corporal w/ Advanced Certificate

In addition to the requirements for Police Corporal w/ Intermediate Certificate:

Licenses/Certificates: Possession of a P.O.S.T. Advanced Certificate.

SUPPLEMENTAL INFORMATION: Successful candidates will be required to pass a drug screening, fingerprint screening, physical examination and a background investigation.

**CITY OF FONTANA
POLICE OFFICER
POLICE OFFICER W/ INTERMEDIATE CERTIFICATE
POLICE OFFICER W/ ADVANCED CERTIFICATE**

DEFINITION: Under direction from higher level Police Department supervisory or management staff, perform law enforcement and crime prevention work; control traffic flow and enforce State and local traffic regulations; perform investigative work; participate in and provide support and assistance to special crime prevention and enforcement programs; establish, grow, and preserve positive relationships between the community and the Police Department; and perform a variety of technical and administrative tasks in support of the department.

DISTINGUISHING CHARACTERISTICS

Classes in this series are distinguished by the level of certification attained and years of experience. The Police Officer classification requires the possession of a P.O.S.T. Basic Certificate and involves the performance of the more routine duties assigned to positions within the series. The Police Officer w/ Intermediate Certificate classification requires the possession of a P.O.S.T. Intermediate Certificate and involves the performance of more technical or diverse assignments that the Police Officer classification. The Police Officer w/ Advanced Certificate classification is the senior officer level which requires the possession of a P.O.S.T. Advanced Certificate and involves the performance of the full range of duties as assigned.

ESSENTIAL FUNCTIONS: The incumbent must have the ability to:

- Patrol a designated area of the City to preserve law and order, discover and prevent the commission of crimes, and enforce traffic and other laws and ordinances.
- Preserve and strive to improve the quality of life within the community by using various policing techniques, such as problem-solving policing and intelligence-led policing strategies that encourage and build positive relationships between the Fontana Police Department and the community.
- Emphasize community interaction and collaborative problem solving between the Fontana Police Department and the community; continue to build diverse community-based partnerships guided by innovation and perseverance to ensure Fontana's future as a well-developed, dignified, and respected community.
- Answer calls and complaints involving automobile accidents, robberies, assaults, fires and related misdemeanors and felonies; respond to alarms; investigate complaints; apprehend suspects; search, inspect, transport and take custody of prisoners.
- Respond to general public service calls including animal complaints, domestic disturbances, civil complaints, property control, and related incidents; may participate in the surveillance of an area.
- Secure the scene of a crime; administer first aid; conduct preliminary investigations; obtain witnesses; gather information; make arrests; prepare detailed reports.

- Investigate reports of missing persons; maintain surveillance over suspected criminals; identify areas of potential crimes or unsafe conditions; report conditions and take corrective action.
- Identify suspects; conduct interviews and interrogations; apprehend and arrest offenders.
- Serve as Field Training Officer as assigned; train new officers on departmental policies, procedures and activities.
- Collect, process, photograph and present evidence using scientific techniques including fingerprints, fibers, blood, and related physical evidence.
- Enforce traffic laws and ordinances; check speed with radar; issue warnings and citations.
- Conduct building and field searches; check buildings for physical security.
- Direct traffic at fire, special events, and other emergency or congested situations.
- Conduct investigations of injury and fatal traffic accidents; conduct traffic accident analyses and general traffic surveys.
- Conduct a variety of criminal investigations involving crimes against persons and property; gather evidence and prepare cases for prosecution.
- Contact and interview victims and witnesses; preserve and investigate crime scenes.
- Conduct covert, undercover investigations as assigned.
- Contact and cooperate with other law enforcement agencies in matters relating to the apprehension of offenders and the investigation of offenses.
- Assist in the performance of special investigative and crime prevention duties.
- Prepare reports on arrests made, activities performed and unusual incidents observed.
- Make arrests as necessary; interview victims, complainants and witnesses; interrogate suspects; gather and preserve evidence; testify and present evidence in court.
- Serve warrants within the department and with outside agencies; remain current on laws and procedures required for processing warrants.
- Serve as Crime Prevention Officer; oversee and coordinate crime prevention activities; make presentations to local citizens and community groups.
- Serve as Intelligence Officer; gather crime related intelligence information and conduct background investigations; coordinate information and activities with outside agencies and jurisdictions.
- Serve as Public Information Officer; respond to inquiries and complaints from individuals, private organizations, news media and the general public; inform and educate the public on crime prevention and the criminal justice system; prepare and present public speaking engagements.
- Investigate juvenile related crimes including child abuse and juvenile narcotics; coordinate youth services with outside agencies and organizations including local school districts; conduct community presentations and instruct assigned classes.
- May participate in S.W.A.T. and K-9 activities and operations.
- May perform duties of police dispatcher or desk officer as needed.
- Participate in departmental studies and in staff development.

- Attend briefings and provide roll call as needed.
- Maintain prompt and regular attendance.
- Perform any other tasks or functions deemed necessary to the daily operations of the employer.
- This position is always evolving. Therefore, employer reserves the right to modify this job description as necessary.

THE ABOVE LIST OF ESSENTIAL FUNCTIONS IS NOT EXHAUSTIVE AND MAY BE SUPPLEMENTED AS NECESSARY BY THE EMPLOYER.

WORKING CONDITIONS: Positions requires prolonged sitting, standing, walking, reaching, twisting, turning, kneeling, bending, squatting, and stooping in the performance of daily activities. The position also requires grasping, repetitive hand movement, and fine coordination in preparing reports using a computer keyboard. Additionally, the position requires near, far, and color vision in viewing crime scenes and evidence and firing a weapon. As a law enforcement officer, the incumbent may be required to run in pursuit and subdue suspects while taking them into custody; walk on uneven and slippery surfaces, and climb ladders. Occasionally, this position may be required to work outdoors in all weather conditions, around loud noise, and moving vehicles. Incumbents may also be subjected to physical threats, verbal abuse, and other stressful situations.

EXPERIENCE AND TRAINING GUIDELINES

A combination of experience and training that would likely provide the required knowledge and abilities is qualifying. The employee must have the knowledge of:

- Modern police methods and procedures related to patrol, traffic control, crime prevention, investigation and identifications techniques.
- Pertinent Federal, State and local laws and ordinances, particularly with reference to apprehension, arrest, custody of persons committing misdemeanors and felonies, rules of evidence, search and seizure, records maintenance, court procedures, traffic control, etc.
- Modern office procedures, methods and computer equipment.
- Basic report preparation.
- Geography of the City.
- Police equipment, including firearms, communication equipment and computers.
- Recent court decisions and how they affect department and division operations.
- Bookkeeping and record keeping methods and procedures.
- Modern investigative methods.
- Functions and objectives of Federal, State, and other local law enforcement agencies.
- Offensive and defensive weapons nomenclature and theory.
- Department rules and regulations.
- Self-defense tactics.
- Crime patterns and trends in an assigned area.

- First aid principles and techniques.
- Interviewing and interrogation techniques.

Ability to:

- Analyze problems, identify alternative solutions, project consequences of proposed actions, and implement recommendations in support of goals, all while being free from any bias against race or ethnicity, gender, nationality, religion, disability, sexual orientation, etc.
- Properly interpret and make decisions in accordance with laws, regulations and policies.
- Gather, assemble, analyze evaluate and use facts and evidence.
- Analyze situations quickly and objectively, and determine proper course of action.
- Obtain information through interviews and interrogation.
- Understand and carry out oral and written instructions.
- Foster positive relationships between the community and the Police Department, including managing the public tactfully and effectively.
- Learn the operation of standard equipment and facilities required in the performance of assigned tasks.
- Learn standard broadcasting procedures of a police radio system.
- Meet the physical requirements established by the Department.
- Communicate effectively, both orally and in writing.
- Use and care of firearms.
- Prepare accurate and grammatically correct written reports.
- Demonstrate keen powers of observation and memory.
- Demonstrate and encourage strong critical thinking and collaborative problem-solving techniques.
- Establish and maintain effective working relationships with those contacted in the course of work including a variety of City and other government officials, community groups, and the general public.

EXPERIENCE AND TRAINING GUIDELINES

Candidates must meet the minimum standards as required by the California Government Code Section 1031:

- Be a citizen of the United States or a permanent resident alien who is eligible for and has applied for citizenship, except as provided in Section 2267 of the Vehicle Code.
- Be at least 21 years of age.
- Be fingerprinted for purposes of search of local, state, and national fingerprint files to disclose a criminal record.
- Be of good moral character, as determined by a thorough background investigation.
- Be a high school graduate, pass the General Education Development Test or other high school equivalency test approved by the State Department of Education that indicates high school graduation level, pass the California High School Proficiency Examination, or have attained a two-year, four-year, or advanced degree from an accredited college or university. The high school shall be either a United States

public school, an accredited United States Department of Defense high school, or an accredited or approved public or nonpublic high school. Any accreditation or approval required by this subdivision shall be from a state or local government educational agency using local or state government approved accreditation, licensing, registration, or other approval standards, a regional accrediting association, an accrediting association recognized by the Secretary of the United States Department of Education, an accrediting association holding full membership in the National Council for Private School Accreditation (NCPSA), an organization holding full membership in AdvancED, an organization holding full membership in the Council for American Private Education (CAPE), or an accrediting association recognized by the National Federation of Nonpublic School State Accrediting Associations (NFNSSAA).

- Be found to be free from any physical, emotional, or mental condition, including bias against race or ethnicity, gender, nationality, religion, disability, or sexual orientation, that might adversely affect the exercise of the powers of a peace officer.

Police Officer

Experience: Successful completion of a P.O.S.T. certified basic police academy.

Licenses/Certificates: Possession of, and continuously throughout employment, a valid California Class "C" Driver's License or equivalent. Possession of a P.O.S.T. Basic Certificate within eighteen months of employment as a Police Officer.

Police Officer w/ Intermediate Certificate

In addition to the requirements for Police Officer:

Experience: One year of law enforcement experience as a Police Officer.

Licenses/Certificates: Possession of a P.O.S.T. Intermediate Certificate.

Police Officer w/ Advanced Certificate

In addition to the requirements for Police Officer w/ Intermediate Certificate:

Licenses/Certificates: Possession of a P.O.S.T. Advanced Certificate. Regular status as a Police Officer in the City of Fontana.

SUPPLEMENTAL INFORMATION: Successful candidates will be required to pass a drug screening, fingerprint screening, physical examination and a background investigation.

CITY OF FONTANA POLICE OFFICER TRAINEE

DEFINITION: Under immediate supervision, attends a prescribed law enforcement academy training program for newly hired Police Officers.

ESSENTIAL FUNCTIONS: The employee must have the ability to:

- Participate in and complete a prescribed law enforcement officer training program for entry level police officers including training in report writing, laws of arrest and seizure, defensive driving, California Vehicle and Penal Codes, officer survival, and physical fitness.
- Perform a wide variety of police support duties which may include dispatching and records, duties acting as desk officer, and/or assisting in planning and research activities.
- Learn various policing techniques that will preserve and strive to improve the quality of life within the City, such as problem-solving policing and intelligence-led policing strategies that encourage and build positive relationships between the Fontana Police Department and the community.
- Establish, grow, and preserve positive relationships between the community and the Police Department.
- Emphasize community interaction and collaborative problem solving between the Fontana Police Department and the community; continue to build diverse community-based partnerships guided by innovation and perseverance to ensure Fontana's future as a well-developed, dignified, and respected community.
- Maintain prompt and regular attendance.
- Communicate clearly and concisely, both orally and in writing.
- Establish and maintain cooperative working relationships with those contacted throughout the course of employment.
- Perform any other tasks or functions deemed necessary to the daily operations of the employer.
- This position is always evolving. Therefore, employer reserves the right to modify this job description as necessary.

THE ABOVE LIST OF ESSENTIAL FUNCTIONS IS NOT EXHAUSTIVE AND MAY BE SUPPLEMENTED AS NECESSARY BY THE EMPLOYER.

WORKING CONDITIONS: Position requires prolonged sitting, standing, walking, reaching, twisting, turning, kneeling, bending, squatting, and stooping in the performance of daily activities. The position also requires grasping, repetitive hand movement, and fine coordination in preparing reports using a computer keyboard. Additionally, the position requires near, far, and color vision in viewing crime scenes, evidence and firing a weapon. As a law enforcement officer, the incumbent may be required to run in pursuit and subdue suspects while taking them into custody; walk on uneven and slippery surfaces, and climb ladders. This position will be required to work outdoors in all weather conditions, around loud noise, and moving vehicles. Incumbents may also be subjected to physical threats, verbal abuse, and other stressful situations.

EXPERIENCE AND TRAINING GUIDELINES

A combination of experience and training that would provide the required knowledge and abilities is qualifying. The employee must have the ability to:

- Successfully complete a training program for entry level Police Officers.
- Successfully pass a police background investigation.
- Observe accurately and remember names, faces, numbers, incidents and places.
- Learn to use and properly care for firearms.
- Think and act quickly in emergencies, and judge situations and people accurately.
- Analyze problems, identify alternative solutions, project consequences of proposed actions, and implement recommendations in support of goals, all while being free from any bias against race or ethnicity, gender, nationality, religion, disability, sexual orientation, etc.
- Analyze situations quickly and objectively and determine proper course of action.
- Gather, assemble, analyze, evaluate, and use facts and evidence.
- Learn, understand, interpret and apply laws, regulations, policies and procedures.
- Prepare clear, accurate and grammatically correct written reports.
- Meet standards of physical stature, endurance and agility established by the City.
- Meet the requirements for a Police Officer contained in the California State Government Code.
- Understand and carry out oral and written directions.
- Establish and maintain cooperative work relationships with those contacted in the course of work.

EXPERIENCE/EDUCATION:

- Be at least 18 years of age.

In addition, candidates must meet the minimum standards as required by the California Government Code Section 1031:

- Be a citizen of the United States or a permanent resident alien who is eligible for and has applied for citizenship, except as provided in Section 2267 of the Vehicle Code.
- Be fingerprinted for purposes of search of local, state, and national fingerprint files to disclose a criminal record.
- Be of good moral character, as determined by a thorough background investigation.
- Be a high school graduate, pass the General Education Development Test or other high school equivalency test approved by the State Department of Education that indicates high school graduation level, pass the California High School Proficiency Examination, or have attained a two-year, four-year, or advanced degree from an accredited college or university. The high school shall be either a United States public school, an accredited United States Department of Defense high school, or an accredited or approved public or nonpublic high school. Any accreditation or approval required by this subdivision shall be from a state or local government educational agency using local or state government approved accreditation, licensing, registration, or other approval standards, a regional accrediting association, an accrediting association recognized by the Secretary of the United States Department of

Education, an accrediting association holding full membership in the National Council for Private School Accreditation (NCPSA), an organization holding full membership in AdvancED, an organization holding full membership in the Council for American Private Education (CAPE), or an accrediting association recognized by the National Federation of Nonpublic School State Accrediting Associations (NFNSSAA).

- Be found to be free from any physical, emotional, or mental condition, including bias against race or ethnicity, gender, nationality, religion, disability, or sexual orientation, that might adversely affect the exercise of the powers of a peace officer.

LICENSES/CERTIFICATIONS: Possession of, and continuously throughout employment, a valid California Class “C” Driver’s License or equivalent.

SUPPLEMENTAL INFORMATION: Successful candidates will be required to pass a drug screening, fingerprint screening, physical examination and a background investigation.

CITY OF FONTANA POLICE CADET

DEFINITION: The Cadet Program is designed to introduce recent high school graduates (ages 18 to 24) to a law enforcement career and to prepare them for entry into the Police Academy. Under direct supervision, perform a wide variety of police support duties and clerical assistance for the Fontana Police Department; establish, grow, and preserve positive relationships between the community and the Police Department.

ESSENTIAL FUNCTIONS: The employee must have the ability to:

- Learn various policing techniques that will preserve and strive to improve the quality of life within the City, such as problem-solving policing and intelligence-led policing strategies that encourage and build positive relationships between the Fontana Police Department and the community.
- Establish, grow, and preserve positive relationships between the community and the Police Department.
- Emphasize community interaction and collaborative problem solving between the Fontana Police Department and the community; continue to build diverse community-based partnerships guided by innovation and perseverance to ensure Fontana's future as a well-developed, dignified, and respected community.
- Perform reception duties; greet visitors and direct to appropriate staff; answer questions and provide general information to the public; answer phones and forward calls as appropriate.
- Provide assistance in property control as needed; log incoming property into computer, release property, transport evidence to crime lab, appear in court to testify regarding the validity of evidence.
- Provide support assistance and learn the duties performed in but not limited to the following areas: lobby reception, records, crime prevention, dispatch, patrol, and property control.
- Provide clerical support as needed; type, file, provide requested forms and reports; release vehicles to individuals as appropriate.
- Maintain current enrollment and satisfactory completion of the equivalent of at least 9 semester units of law enforcement related college courses in order to participate in the Cadet program.
- Communicate clearly and concisely, both orally and in writing.
- Learn, understand, interpret and apply Police Department policies and procedures.
- Understand and carry out oral and written instructions.
- Meet P.O.S.T. medical guidelines.
- Maintain prompt and regular attendance.
- Establish and maintain cooperative working relationships with those contacted in the course of work.
- Perform any other tasks or functions deemed necessary to the daily operations of the employer.
- This position is always evolving. Therefore, employer reserves the right to modify this job description as necessary.

THE ABOVE LIST OF ESSENTIAL FUNCTIONS IS NOT EXHAUSTIVE AND MAY BE SUPPLEMENTED AS NECESSARY BY THE EMPLOYER.

WORKING CONDITIONS: Position requires sitting, standing, walking, reaching, twisting, turning, kneeling, bending, squatting and stooping in the performance of daily activities. This position also requires grasping, gripping, repetitive hand movement and fine hand coordination in using a computer keyboard. The need to lift, carry and push supplies weighing 25 pounds or more is also required. May be required to work outside in the elements; hot, cold and rain. Additionally, the position requires near and far vision in reading written documents. Acute hearing is required when providing telephone and counter service.

EXPERIENCE AND TRAINING GUIDELINES: Successful candidates will have some basic knowledge of modern office procedures, methods and computer equipment and effective public communication techniques. The employee must have the ability to:

- Analyze problems, identify alternative solutions, project consequences of proposed actions, and implement recommendations in support of goals, all while being free from any bias against race or ethnicity, gender, nationality, religion, disability, sexual orientation, etc.
- Analyze situations quickly and objectively and determine proper course of action.
- Gather, assemble, analyze, evaluate, and use facts and evidence.

Experience/Education:

- Current and continuous enrollment in an accredited college or university with college level course work in law enforcement.
- The incumbent must be a minimum of 18 years old and a maximum of 24 years old.

In addition, candidates must meet the minimum standards of a Peace Officer as required by the California Government Code Section 1031:

- Be a citizen of the United States or a permanent resident alien who is eligible for and has applied for citizenship, except as provided in Section 2267 of the Vehicle Code.
- Be fingerprinted for purposes of search of local, state, and national fingerprint files to disclose a criminal record.
- Be of good moral character, as determined by a thorough background investigation.
- Be a high school graduate, pass the General Education Development Test or other high school equivalency test approved by the State Department of Education that indicates high school graduation level, pass the California High School Proficiency Examination, or have attained a two-year, four-year, or advanced degree from an accredited college or university. The high school shall be either a United States public school, an accredited United States Department of Defense high school, or an accredited or approved public or nonpublic high school. Any accreditation or approval required by this subdivision shall be from a state or local government educational agency using local or state government approved accreditation, licensing, registration, or other approval standards, a regional accrediting association, an accrediting association recognized by the Secretary of the United States Department of Education, an accrediting association holding full membership in the National Council for Private School Accreditation (NCPSA), an organization holding full membership in AdvancED, an organization holding full membership in the Council for American Private Education (CAPE), or an accrediting association recognized by the National Federation of Nonpublic School State Accrediting Associations (NFNSSAA).

- Be found to be free from any physical, emotional, or mental condition, including bias against race or ethnicity, gender, nationality, religion, disability, or sexual orientation, that might adversely affect the exercise of the powers of a peace officer.

Licenses and/or Certifications: Must possess, at the time of hire and continuously throughout, a valid California Class “C” Driver’s License or equivalent.

SUPPLEMENTAL INFORMATION: Successful candidates will be required to pass a drug screening, fingerprint screening, physical examination and a background investigation.

RESOLUTION NO. 2021-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA ADOPTING THE UPDATED JOB DESCRIPTION AND SALARY RANGE FOR THE CLASSIFICATION OF POLICE COMMUNICATIONS SUPERVISOR AND THE UPDATED MANAGEMENT CONFIDENTIAL SALARY TABLE

WHEREAS, the City Council of the City of Fontana has adopted the Personnel Rules and Regulations which incorporate the City's Classification Plan; and

WHEREAS, the Classification Plan is not a static plan and requires revision to reflect organizational changes and needs.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Fontana, to adopt the revised job description, including the title and salary range for the classification of Police Communication Supervisor at range MC37 (\$6,758.27/month - \$ 8,214.27/month) and the updated Management Confidential Salary Table.

EFFECTIVE DATE: October 27, 2021

APPROVED AND ADOPTED this 26th day of October 2021

READ AND APPROVED AS TO LEGAL FORM:

City Attorney

I, Tonia Lewis, City Clerk of the City of Fontana, California, and Ex-Officio Clerk of the City Council, do hereby certify that the foregoing resolution is the actual resolution duly and regularly adopted by the City Council at a regular meeting thereof, held on the 26th day of October 2021, by the following vote to wit:

AYES:

NOES:

ABSENT:

City Clerk of the City of Fontana

Resolution No.

Mayor of the City of Fontana

ATTEST:

City Clerk

CITY OF FONTANA POLICE COMMUNICATIONS SUPERVISOR

DEFINITION: Under direction from higher level supervisory or management staff, supervises, assigns, reviews, and participates in the work of staff responsible for providing public safety communication services including the dispatching of public safety services; and performs a variety of technical tasks relative to assigned area of responsibility. Exercises direct supervision over technical and clerical staff. This is a supervisory position, and is expected that the incumbent performs the essential functions of the Police Dispatch Shift Supervisor and/or Police Dispatcher II classifications during emergency situations.

ESSENTIAL FUNCTIONS: The incumbent must have the ability to:

- Recommend and assist in the implementation of goals and objectives for the public safety communication program; establish schedules and methods for dispatching and 911 communications systems services; develop and implement policies and procedures.
- Evaluate operations and activities of assigned areas to determine training and staffing needs; recommend improvements and modifications; prepare various reports on operations and activities.
- Analyze business requirements and recommend/implement environmental changes and/or process improvements to maximize efficiency.
- Plan, prioritize, assign, train, supervise, and review the work of staff responsible for providing public safety communications services. This includes the proper handling of 911 emergency calls and non-emergency calls for service, dispatching police related calls, the proper transferring of calls to fire and medical services, and text to 911 services.
- Participate in the selection of staff; provide or coordinate staff training; conduct employee performance evaluations; work with employees to correct deficiencies; implement discipline procedures.
- Establish and maintain schedules for public safety dispatch personnel on a 24/7 basis, including overtime, training assignments, and minimum staffing requirements.
- Research, develop, and maintain contingency plans for handling critical incidents and ensure subordinates are properly trained; organize and schedule public safety dispatch personnel training classes; ensure that POST training mandates are met.
- Participate in the preparation and administration of the public safety communications program budget; submit budget recommendations; monitor expenditures.
- Manage and coordinate various statistical systems, State 911 systems, and ensure accuracy in reporting justifications for State funding.
- Oversee and coordinate improvement plans, installation, implementation, maintenance, etc., of public safety communication systems, devices, and computer programs, including but not limited to digital radio systems, Computer Aided Dispatch System (CAD), California Law Enforcement Teletype System (CLETS), and National Law Enforcement Teletype System (NLETS)
- Assist Information Technology (IT) with the development, review, and update of written manuals and instructions; maintain and update computer-aided dispatch data tables and reformatters.

- Answer questions and provide information to the public; investigate citizen complaints regarding services provided; recommend corrective action as necessary to resolve complaints.
- Act as a liaison with other agencies and the general public; attend a variety of meetings as required.
- Testify in court, as needed.
- Establish and maintain effective working relationships with those contacted in the course of work.
- Communicate clearly and concisely, both orally and in writing.
- Sound judgement and attention to detail.
- Able to use a personal computer, telephone, and electronic devices.
- Maintain prompt and regular attendance.
- Perform any other tasks or functions deemed necessary to the daily operations of the employer.
- Other duties as assigned.
- This position is always evolving. Therefore, employer reserves the right to modify this job description as necessary.

THE ABOVE LIST OF ESSENTIAL FUNCTIONS IS NOT EXHAUSTIVE AND MAY BE SUPPLEMENTED AS NECESSARY BY THE EMPLOYER.

WORKING CONDITIONS: Position requires prolonged sitting, standing, walking, reaching, twisting, turning, kneeling, bending, squatting, and stooping in the performance of daily office activities. The position also requires grasping, repetitive hand movement, and fine coordination in preparing statistical reports and data, using a computer keyboard. Additionally, the position requires near and far vision in reading correspondence and using the computer, and acute hearing is required when providing phone and face-to-face service. The need to lift, drag, and push files, paper, and documents weighing up to 50 pounds also is required.

EXPERIENCE AND TRAINING GUIDELINES

A combination of experience and training that would likely provide the required knowledge and abilities is qualifying. The employee must have the knowledge of:

- Principles of supervision, training, and performance evaluation.
- Operations, services, and activities of a public safety communications program.
- Modern radio communication systems including telecommunications systems and 911 systems.
- Radio broadcasting and dispatching procedures and rules.
- Pertinent Federal, State, and local laws, codes, and regulations including Federal Communications Commission rules and regulations governing the operation of radio telephone transmitting and receiving systems.
- Police codes, practices, and methods.
- Budgeting procedures and techniques.
- Departmental policies and procedures for service requests.
- Modern office procedures, methods, and computer equipment.
- Principles and procedures of record keeping.

- Research and analytical skills.

Ability to:

- Effectively administer a variety of public safety communication program activities.
- Prepare and administer a budget.
- Supervise, train, and evaluate assigned staff.
- Conduct detailed investigations of citizen complaints.
- Effectively and courteously interact with the public.
- Maintain public relations.
- Operate dispatch, teletype, and other office equipment.

Experience: Four years of public safety dispatching experience, including eighteen months of lead supervisory responsibility.

Education: Equivalent to an Associate of Arts degree with major course work in management, police administration, police science or a related field. Years of experience may be substituted for training on a year for year basis.

Licenses/Certifications: Possession of, and continuously throughout employment, a valid CA Class "C" Driver's license or equivalent. Possession of a POST Public Safety Dispatcher Certificate.

SUPPLEMENTAL INFORMATION:

Successful candidates will be required to pass a drug screening, fingerprint screening, physical examination and a background investigation conducted by the Fontana Police Department. In addition, incumbents are required to complete a Statement of Economic Interest Form (700 Form) annually and ethics training bi-annually, pursuant to AB 1234.

CITY OF FONTANA
MANAGEMENT CONFIDENTIAL HOURLY/MONTHLY/ANNUAL PAY SCHEDULE
Fiscal Year 2021/2022, First Quarter
Effective 10/27/2021

TITLE	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	
Accounting Manager	MC01	\$47.83	\$50.22	\$52.73	\$55.37	\$58.14	Hourly Monthly Annual
		\$8,290.53	\$8,704.80	\$9,139.87	\$9,597.47	\$10,077.60	
		\$99,486.40	\$104,457.60	\$109,678.40	\$115,169.60	\$120,931.20	
Administrative Secretary	MC02	\$25.12	\$26.38	\$27.69	\$29.08	\$30.53	
		\$4,354.13	\$4,572.53	\$4,799.60	\$5,040.53	\$5,291.87	
		\$52,249.60	\$54,870.40	\$57,595.20	\$60,486.40	\$63,502.40	
Assistant Building Official	MC03	\$43.07	\$45.22	\$47.48	\$49.86	\$52.35	
		\$7,465.47	\$7,838.13	\$8,229.87	\$8,642.40	\$9,074.00	
		\$89,585.60	\$94,057.60	\$98,758.40	\$103,708.80	\$108,888.00	
Assistant Internal Auditor	MC04	\$30.07	\$31.57	\$33.15	\$34.81	\$36.55	
		\$5,212.13	\$5,472.13	\$5,746.00	\$6,033.73	\$6,335.33	
		\$62,545.60	\$65,665.60	\$68,952.00	\$72,404.80	\$76,024.00	
(IT) Application Programmer/ Developer	MC05	\$35.11	\$36.87	\$38.71	\$40.64	\$42.68	
		\$6,085.73	\$6,390.80	\$6,709.73	\$7,044.27	\$7,397.87	
		\$73,028.80	\$76,689.60	\$80,516.80	\$84,531.20	\$88,774.40	
(IT) Business Analyst II	MC06	\$36.71	\$38.55	\$40.47	\$42.50	\$44.62	
		\$6,363.07	\$6,682.00	\$7,014.80	\$7,366.67	\$7,734.13	
		\$76,356.80	\$80,184.00	\$84,177.60	\$88,400.00	\$92,809.60	
Budget Manager	MC07	\$47.83	\$50.22	\$52.73	\$55.37	\$58.14	
		\$8,290.53	\$8,704.80	\$9,139.87	\$9,597.47	\$10,077.60	
		\$99,486.40	\$104,457.60	\$109,678.40	\$115,169.60	\$120,931.20	
Building Official	MC08	\$54.46	\$57.18	\$60.04	\$63.04	\$66.20	
		\$9,439.73	\$9,911.20	\$10,406.93	\$10,926.93	\$11,474.67	
		\$113,276.80	\$118,934.40	\$124,883.20	\$131,123.20	\$137,696.00	
Communications & Marketing Manager	MC09	\$46.64	\$48.97	\$51.42	\$53.99	\$56.69	
		\$8,084.27	\$8,488.13	\$8,912.80	\$9,358.27	\$9,826.27	
		\$97,011.20	\$101,857.60	\$106,953.60	\$112,299.20	\$117,915.20	
Community Improvement Program Manager	MC10	\$50.28	\$52.79	\$55.43	\$58.21	\$61.12	
		\$8,715.20	\$9,150.27	\$9,607.87	\$10,089.73	\$10,594.13	
		\$104,582.40	\$109,803.20	\$115,294.40	\$121,076.80	\$127,129.60	
Community Services Manager	MC11	\$47.83	\$50.22	\$52.73	\$55.37	\$58.14	
		\$8,290.53	\$8,704.80	\$9,139.87	\$9,597.47	\$10,077.60	
		\$99,486.40	\$104,457.60	\$109,678.40	\$115,169.60	\$120,931.20	
Community Services Supervisor	MC12	\$33.91	\$35.61	\$37.39	\$39.26	\$41.22	
		\$5,877.73	\$6,172.40	\$6,480.93	\$6,805.07	\$7,144.80	
		\$70,532.80	\$74,068.80	\$77,771.20	\$81,660.80	\$85,737.60	
Customer Service Supervisor	MC13	\$35.11	\$36.87	\$38.71	\$40.64	\$42.68	
		\$6,085.73	\$6,390.80	\$6,709.73	\$7,044.27	\$7,397.87	
		\$73,028.80	\$76,689.60	\$80,516.80	\$84,531.20	\$88,774.40	

CITY OF FONTANA
MANAGEMENT CONFIDENTIAL HOURLY/MONTHLY/ANNUAL PAY SCHEDULE
Fiscal Year 2021/2022, First Quarter
Effective 10/27/2021

TITLE	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	
(IT) Database Administrator	MC14	\$47.57	\$49.95	\$52.45	\$55.07	\$57.82	Hourly Monthly Annual
		\$8,245.47	\$8,658.00	\$9,091.33	\$9,545.47	\$10,022.13	
		\$98,945.60	\$103,896.00	\$109,096.00	\$114,545.60	\$120,265.60	
Development Services Supervisor	MC15	\$35.11	\$36.87	\$38.71	\$40.64	\$42.68	
		\$6,085.73	\$6,390.80	\$6,709.73	\$7,044.27	\$7,397.87	
		\$73,028.80	\$76,689.60	\$80,516.80	\$84,531.20	\$88,774.40	
Economic Development Analyst	MC76	\$38.99	\$40.94	\$42.99	\$45.14	\$47.39	
		\$6,758.27	\$7,096.27	\$7,451.60	\$7,824.27	\$8,214.27	
		\$81,099.20	\$85,155.20	\$89,419.20	\$93,891.20	\$98,571.20	
Engineering Manager	MC16	\$54.46	\$57.18	\$60.04	\$63.04	\$66.20	
		\$9,439.73	\$9,911.20	\$10,406.93	\$10,926.93	\$11,474.67	
		\$113,276.80	\$118,934.40	\$124,883.20	\$131,123.20	\$137,696.00	
Environmental Control Supervisor	MC17	\$36.53	\$38.36	\$40.27	\$42.29	\$44.40	
		\$6,331.87	\$6,649.07	\$6,980.13	\$7,330.27	\$7,696.00	
		\$75,982.40	\$79,788.80	\$83,761.60	\$87,963.20	\$92,352.00	
Executive Secretary to City Manager	MC18	\$33.84	\$35.53	\$37.31	\$39.17	\$41.13	
		\$5,865.60	\$6,158.53	\$6,467.07	\$6,789.47	\$7,129.20	
		\$70,387.20	\$73,902.40	\$77,604.80	\$81,473.60	\$85,550.40	
Facilities Maintenance Supervisor	MC19	\$36.53	\$38.36	\$40.27	\$42.29	\$44.40	
		\$6,331.87	\$6,649.07	\$6,980.13	\$7,330.27	\$7,696.00	
		\$75,982.40	\$79,788.80	\$83,761.60	\$87,963.20	\$92,352.00	
Finance Manager	MC20	\$54.46	\$57.18	\$60.04	\$63.04	\$66.20	
		\$9,439.73	\$9,911.20	\$10,406.93	\$10,926.93	\$11,474.67	
		\$113,276.80	\$118,934.40	\$124,883.20	\$131,123.20	\$137,696.00	
Fleet Supervisor	MC21	\$36.53	\$38.36	\$40.27	\$42.29	\$44.40	
		\$6,331.87	\$6,649.07	\$6,980.13	\$7,330.27	\$7,696.00	
		\$75,982.40	\$79,788.80	\$83,761.60	\$87,963.20	\$92,352.00	
(IT) GIS Administrator	MC22	\$47.57	\$49.95	\$52.45	\$55.07	\$57.82	
		\$8,245.47	\$8,658.00	\$9,091.33	\$9,545.47	\$10,022.13	
		\$98,945.60	\$103,896.00	\$109,096.00	\$114,545.60	\$120,265.60	
Housing Development Manager	MC23	\$46.64	\$48.97	\$51.42	\$53.99	\$56.69	
		\$8,084.27	\$8,488.13	\$8,912.80	\$9,358.27	\$9,826.27	
		\$97,011.20	\$101,857.60	\$106,953.60	\$112,299.20	\$117,915.20	
Human Resources Analyst	MC24	\$35.99	\$37.79	\$39.68	\$41.66	\$43.75	
		\$6,238.27	\$6,550.27	\$6,877.87	\$7,221.07	\$7,583.33	
		\$74,859.20	\$78,603.20	\$82,534.40	\$86,652.80	\$91,000.00	
Human Resources Clerk	MC25	\$20.77	\$21.81	\$22.90	\$24.04	\$25.25	
		\$3,600.13	\$3,780.40	\$3,969.33	\$4,166.93	\$4,376.67	
		\$43,201.60	\$45,364.80	\$47,632.00	\$50,003.20	\$52,520.00	

CITY OF FONTANA
MANAGEMENT CONFIDENTIAL HOURLY/MONTHLY/ANNUAL PAY SCHEDULE
Fiscal Year 2021/2022, First Quarter
Effective 10/27/2021

TITLE	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	
Human Resources Specialist	MC26	\$30.69	\$32.22	\$33.84	\$35.53	\$37.30	Hourly Monthly Annual
		\$5,319.60	\$5,584.80	\$5,865.60	\$6,158.53	\$6,465.33	
		\$63,835.20	\$67,017.60	\$70,387.20	\$73,902.40	\$77,584.00	
Human Resources Technician	MC27	\$26.03	\$27.33	\$28.70	\$30.13	\$31.64	
		\$4,511.87	\$4,737.20	\$4,974.67	\$5,222.53	\$5,484.27	
		\$54,142.40	\$56,846.40	\$59,696.00	\$62,670.40	\$65,811.20	
(IT) Information Technology Manager	MC28	\$53.63	\$56.31	\$59.13	\$62.08	\$65.19	
		\$9,295.87	\$9,760.40	\$10,249.20	\$10,760.53	\$11,299.60	
		\$111,550.40	\$117,124.80	\$122,990.40	\$129,126.40	\$135,595.20	
Management Trainee	MC78	\$28.85	"Step 1 Only"				
		\$5,000.67					
		\$60,008.00					
Management Analyst I	MC80	\$32.99	\$34.64	\$36.37	\$38.19	\$40.10	
		\$5,718.27	\$6,004.27	\$6,304.13	\$6,619.60	\$6,950.67	
		\$68,619.20	\$72,051.20	\$75,649.60	\$79,435.20	\$83,408.00	
Management Analyst II	MC81	\$37.94	\$39.84	\$41.83	\$43.92	\$46.12	
		\$6,576.27	\$6,905.60	\$7,250.53	\$7,612.80	\$7,994.13	
		\$78,915.20	\$82,867.20	\$87,006.40	\$91,353.60	\$95,929.60	
(IT) Network/Security Administrator	MC29	\$50.28	\$52.79	\$55.43	\$58.21	\$61.12	
		\$8,715.20	\$9,150.27	\$9,607.87	\$10,089.73	\$10,594.13	
		\$104,582.40	\$109,803.20	\$115,294.40	\$121,076.80	\$127,129.60	
Parks Development Coordinator	MC30	\$38.99	\$40.94	\$42.99	\$45.14	\$47.39	
		\$6,758.27	\$7,096.27	\$7,451.60	\$7,824.27	\$8,214.27	
		\$81,099.20	\$85,155.20	\$89,419.20	\$93,891.20	\$98,571.20	
Parks & Landscape Supervisor	MC31	\$36.53	\$38.36	\$40.27	\$42.29	\$44.40	
		\$6,331.87	\$6,649.07	\$6,980.13	\$7,330.27	\$7,696.00	
		\$75,982.40	\$79,788.80	\$83,761.60	\$87,963.20	\$92,352.00	
Payroll Clerk	MC32	\$20.39	\$21.41	\$22.48	\$23.60	\$24.78	
		\$3,534.27	\$3,711.07	\$3,896.53	\$4,090.67	\$4,295.20	
		\$42,411.20	\$44,532.80	\$46,758.40	\$49,088.00	\$51,542.40	
Payroll Coordinator	MC33	\$30.69	\$32.22	\$33.84	\$35.53	\$37.30	
		\$5,319.60	\$5,584.80	\$5,865.60	\$6,158.53	\$6,465.33	
		\$63,835.20	\$67,017.60	\$70,387.20	\$73,902.40	\$77,584.00	
Payroll Technician	MC34	\$26.16	\$27.47	\$28.84	\$30.28	\$31.80	
		\$4,534.40	\$4,761.47	\$4,998.93	\$5,248.53	\$5,512.00	
		\$54,412.80	\$57,137.60	\$59,987.20	\$62,982.40	\$66,144.00	

CITY OF FONTANA
MANAGEMENT CONFIDENTIAL HOURLY/MONTHLY/ANNUAL PAY SCHEDULE
Fiscal Year 2021/2022, First Quarter
Effective 10/27/2021

TITLE	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	Hourly Monthly Annual
Police Administrative Support Services Manager	MC36	\$46.64 \$8,084.27 \$97,011.20	\$48.97 \$8,488.13 \$101,857.60	\$51.42 \$8,912.80 \$106,953.60	\$53.99 \$9,358.27 \$112,299.20	\$56.69 \$9,826.27 \$117,915.20	
Police Communications Supervisor	MC37	\$38.99 \$6,758.27 \$81,099.20	\$40.94 \$7,096.27 \$85,155.20	\$42.99 \$7,451.60 \$89,419.20	\$45.14 \$7,824.27 \$93,891.20	\$47.39 \$8,214.27 \$98,571.20	
Police Dispatch Shift Supervisor	MC38	\$30.90 \$5,356.00 \$64,272.00	\$32.45 \$5,624.67 \$67,496.00	\$34.07 \$5,905.47 \$70,865.60	\$35.77 \$6,200.13 \$74,401.60	\$37.56 \$6,510.40 \$78,124.80	
Police Records Supervisor	MC39	\$24.60 \$4,264.00 \$51,168.00	\$25.83 \$4,477.20 \$53,726.40	\$27.12 \$4,700.80 \$56,409.60	\$28.48 \$4,936.53 \$59,238.40	\$29.90 \$5,182.67 \$62,192.00	
Police Supervising Property Control Clerk	MC40	\$27.64 \$4,790.93 \$57,491.20	\$29.02 \$5,030.13 \$60,361.60	\$30.47 \$5,281.47 \$63,377.60	\$32.00 \$5,546.67 \$66,560.00	\$33.60 \$5,824.00 \$69,888.00	
Police Support Services Supervisor	MC41	\$32.40 \$5,616.00 \$67,392.00	\$34.02 \$5,896.80 \$70,761.60	\$35.72 \$6,191.47 \$74,297.60	\$37.51 \$6,501.73 \$78,020.80	\$39.38 \$6,825.87 \$81,910.40	
Principal Civil Engineer	MC42	\$54.29 \$9,410.27 \$112,923.20	\$57.00 \$9,880.00 \$118,560.00	\$59.85 \$10,374.00 \$124,488.00	\$62.85 \$10,894.00 \$130,728.00	\$65.99 \$11,438.27 \$137,259.20	
Principal Planner	MC83	\$50.80 \$8,805.33 \$105,664.00	\$53.34 \$9,245.60 \$110,947.20	\$56.01 \$9,708.40 \$116,500.80	\$58.81 \$10,193.73 \$122,324.80	\$61.75 \$10,703.33 \$128,440.00	
Public Information Coordinator	MC43	\$38.99 \$6,758.27 \$81,099.20	\$40.94 \$7,096.27 \$85,155.20	\$42.99 \$7,451.60 \$89,419.20	\$45.14 \$7,824.27 \$93,891.20	\$47.39 \$8,214.27 \$98,571.20	
Public Safety Systems Administrator	MC84	\$47.57 \$8,245.47 \$98,945.60	\$49.95 \$8,658.00 \$103,896.00	\$52.45 \$9,091.33 \$109,096.00	\$55.07 \$9,545.47 \$114,545.60	\$57.82 \$10,022.13 \$120,265.60	
Public Works Inspection Supervisor	MC44	\$41.87 \$7,257.47 \$87,089.60	\$43.96 \$7,619.73 \$91,436.80	\$46.16 \$8,001.07 \$96,012.80	\$48.47 \$8,401.47 \$100,817.60	\$50.89 \$8,820.93 \$105,851.20	
Public Works Manager	MC45	\$50.28 \$8,715.20 \$104,582.40	\$52.79 \$9,150.27 \$109,803.20	\$55.43 \$9,607.87 \$115,294.40	\$58.21 \$10,089.73 \$121,076.80	\$61.12 \$10,594.13 \$127,129.60	
Purchasing Specialist	MC46	\$28.76 \$4,985.07 \$59,820.80	\$30.20 \$5,234.67 \$62,816.00	\$31.71 \$5,496.40 \$65,956.80	\$33.29 \$5,770.27 \$69,243.20	\$34.96 \$6,059.73 \$72,716.80	

CITY OF FONTANA
MANAGEMENT CONFIDENTIAL HOURLY/MONTHLY/ANNUAL PAY SCHEDULE
Fiscal Year 2021/2022, First Quarter
Effective 10/27/2021

TITLE	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	
Purchasing Supervisor	MC47	\$35.11 \$6,085.73 \$73,028.80	\$36.87 \$6,390.80 \$76,689.60	\$38.71 \$6,709.73 \$80,516.80	\$40.64 \$7,044.27 \$84,531.20	\$42.68 \$7,397.87 \$88,774.40	Hourly Monthly Annual
Real Property Analyst	MC48	\$33.23 \$5,759.87 \$69,118.40	\$34.89 \$6,047.60 \$72,571.20	\$36.64 \$6,350.93 \$76,211.20	\$38.47 \$6,668.13 \$80,017.60	\$40.39 \$7,000.93 \$84,011.20	
Records Coordinator	MC77	\$27.80 \$4,818.67 \$57,824.00	\$29.19 \$5,059.60 \$60,715.20	\$30.65 \$5,312.67 \$63,752.00	\$32.18 \$5,577.87 \$66,934.40	\$33.79 \$5,856.93 \$70,283.20	
Resources Budget Officer	MC49	\$43.07 \$7,465.47 \$89,585.60	\$45.22 \$7,838.13 \$94,057.60	\$47.48 \$8,229.87 \$98,758.40	\$49.86 \$8,642.40 \$103,708.80	\$52.35 \$9,074.00 \$108,888.00	
Senior Accountant	MC50	\$35.29 \$6,116.93 \$73,403.20	\$37.05 \$6,422.00 \$77,064.00	\$38.91 \$6,744.40 \$80,932.80	\$40.85 \$7,080.67 \$84,968.00	\$42.90 \$7,436.00 \$89,232.00	
Senior Administrative Aide (Pos. #608)	MC51	\$28.02 \$4,856.80 \$58,281.60	\$29.42 \$5,099.47 \$61,193.60	\$30.89 \$5,354.27 \$64,251.20	\$32.44 \$5,622.93 \$67,475.20	\$34.06 \$5,903.73 \$70,844.80	
Senior Administrative Analyst	MC52	\$38.99 \$6,758.27 \$81,099.20	\$40.94 \$7,096.27 \$85,155.20	\$42.99 \$7,451.60 \$89,419.20	\$45.14 \$7,824.27 \$93,891.20	\$47.39 \$8,214.27 \$98,571.20	
Senior Administrative Secretary	MC53	\$27.64 \$4,790.93 \$57,491.20	\$29.02 \$5,030.13 \$60,361.60	\$30.47 \$5,281.47 \$63,377.60	\$32.00 \$5,546.67 \$66,560.00	\$33.60 \$5,824.00 \$69,888.00	
(IT) Senior Business Analyst	MC54	\$42.00 \$7,280.00 \$87,360.00	\$44.10 \$7,644.00 \$91,728.00	\$46.31 \$8,027.07 \$96,324.80	\$48.62 \$8,427.47 \$101,129.60	\$51.05 \$8,848.67 \$106,184.00	
Senior Civil Engineer	MC55	\$47.69 \$8,266.27 \$99,195.20	\$50.07 \$8,678.80 \$104,145.60	\$52.58 \$9,113.87 \$109,366.40	\$55.21 \$9,569.73 \$114,836.80	\$57.97 \$10,048.13 \$120,577.60	
Senior Civil Land Surveyor	MC79	\$47.69 \$8,266.27 \$99,195.20	\$50.07 \$8,678.80 \$104,145.60	\$52.58 \$9,113.87 \$109,366.40	\$55.21 \$9,569.73 \$114,836.80	\$57.97 \$10,048.13 \$120,577.60	
Senior Engineer	MC56	\$47.69 \$8,266.27 \$99,195.20	\$50.07 \$8,678.80 \$104,145.60	\$52.58 \$9,113.87 \$109,366.40	\$55.21 \$9,569.73 \$114,836.80	\$57.97 \$10,048.13 \$120,577.60	
Senior Human Resources Analyst	MC57	\$41.37 \$7,170.80 \$86,049.60	\$43.44 \$7,529.60 \$90,355.20	\$45.61 \$7,905.73 \$94,868.80	\$47.89 \$8,300.93 \$99,611.20	\$50.29 \$8,716.93 \$104,603.20	

CITY OF FONTANA
MANAGEMENT CONFIDENTIAL HOURLY/MONTHLY/ANNUAL PAY SCHEDULE
Fiscal Year 2021/2022, First Quarter
Effective 10/27/2021

TITLE	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	
Senior Internal Auditor	MC58	\$43.07	\$45.22	\$47.48	\$49.86	\$52.35	Hourly Monthly Annual
		\$7,465.47	\$7,838.13	\$8,229.87	\$8,642.40	\$9,074.00	
		\$89,585.60	\$94,057.60	\$98,758.40	\$103,708.80	\$108,888.00	
Senior Management Analyst	MC82	\$45.53	\$47.81	\$50.20	\$52.71	\$55.34	
		\$7,891.87	\$8,287.07	\$8,701.33	\$9,136.40	\$9,592.27	
		\$94,702.40	\$99,444.80	\$104,416.00	\$109,636.80	\$115,107.20	
Senior Planner	MC59	\$41.58	\$43.66	\$45.84	\$48.13	\$50.54	
		\$7,207.20	\$7,567.73	\$7,945.60	\$8,342.53	\$8,760.27	
		\$86,486.40	\$90,812.80	\$95,347.20	\$100,110.40	\$105,123.20	
Senior Traffic Engineer	MC74	\$47.69	\$50.07	\$52.58	\$55.21	\$57.97	
		\$8,266.27	\$8,678.80	\$9,113.87	\$9,569.73	\$10,048.13	
		\$99,195.20	\$104,145.60	\$109,366.40	\$114,836.80	\$120,577.60	
(IT) Software Development Supervisor	MC60	\$47.57	\$49.95	\$52.45	\$55.07	\$57.82	
		\$8,245.47	\$8,658.00	\$9,091.33	\$9,545.47	\$10,022.13	
		\$98,945.60	\$103,896.00	\$109,096.00	\$114,545.60	\$120,265.60	
Strategic Transportation Engineering Manager	MC61	\$54.46	\$57.18	\$60.04	\$63.04	\$66.20	
		\$9,439.73	\$9,911.20	\$10,406.93	\$10,926.93	\$11,474.67	
		\$113,276.80	\$118,934.40	\$124,883.20	\$131,123.20	\$137,696.00	
Supervising Accountant	MC62	\$40.75	\$42.79	\$44.93	\$47.17	\$49.53	
		\$7,063.33	\$7,416.93	\$7,787.87	\$8,176.13	\$8,585.20	
		\$84,760.00	\$89,003.20	\$93,454.40	\$98,113.60	\$103,022.40	
Supervising Animal Services Officer	MC63	\$28.87	\$30.31	\$31.83	\$33.42	\$35.09	
		\$5,004.13	\$5,253.73	\$5,517.20	\$5,792.80	\$6,082.27	
		\$60,049.60	\$63,044.80	\$66,206.40	\$69,513.60	\$72,987.20	
Supervising Building Inspector	MC64	\$43.07	\$45.22	\$47.48	\$49.86	\$52.35	
		\$7,465.47	\$7,838.13	\$8,229.87	\$8,642.40	\$9,074.00	
		\$89,585.60	\$94,057.60	\$98,758.40	\$103,708.80	\$108,888.00	
Supervising Code Enforcement Inspector	MC65	\$43.07	\$45.22	\$47.48	\$49.86	\$52.35	
		\$7,465.47	\$7,838.13	\$8,229.87	\$8,642.40	\$9,074.00	
		\$89,585.60	\$94,057.60	\$98,758.40	\$103,708.80	\$108,888.00	
Supervising Plans Examiner	MC75	\$43.07	\$45.22	\$47.48	\$49.86	\$52.35	
		\$7,465.47	\$7,838.13	\$8,229.87	\$8,642.40	\$9,074.00	
		\$89,585.60	\$94,057.60	\$98,758.40	\$103,708.80	\$108,888.00	
Supervising Real Property Agent	MC66	\$38.99	\$40.94	\$42.99	\$45.14	\$47.39	
		\$6,758.27	\$7,096.27	\$7,451.60	\$7,824.27	\$8,214.27	
		\$81,099.20	\$85,155.20	\$89,419.20	\$93,891.20	\$98,571.20	
Supervising Technical Engineer	MC67	\$42.29	\$44.40	\$46.62	\$48.96	\$51.40	
		\$7,330.27	\$7,696.00	\$8,080.80	\$8,486.40	\$8,909.33	
		\$87,963.20	\$92,352.00	\$96,969.60	\$101,836.80	\$106,912.00	

CITY OF FONTANA
MANAGEMENT CONFIDENTIAL HOURLY/MONTHLY/ANNUAL PAY SCHEDULE
Fiscal Year 2021/2022, First Quarter
Effective 10/27/2021

TITLE	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	
Supervising Traffic Systems Specialist	MC68	\$40.65	\$42.68	\$44.82	\$47.06	\$49.41	Hourly
		\$7,046.00	\$7,397.87	\$7,768.80	\$8,157.07	\$8,564.40	Monthly
		\$84,552.00	\$88,774.40	\$93,225.60	\$97,884.80	\$102,772.80	Annual
(IT) Support Supervisor	MC69	\$47.57	\$49.95	\$52.45	\$55.07	\$57.82	
		\$8,245.47	\$8,658.00	\$9,091.33	\$9,545.47	\$10,022.13	
		\$98,945.60	\$103,896.00	\$109,096.00	\$114,545.60	\$120,265.60	
(IT) Systems Administrator	MC70	\$42.00	\$44.10	\$46.31	\$48.62	\$51.05	
		\$7,280.00	\$7,644.00	\$8,027.07	\$8,427.47	\$8,848.67	
		\$87,360.00	\$91,728.00	\$96,324.80	\$101,129.60	\$106,184.00	
(IT) Systems/Network Specialist	MC71	\$34.23	\$35.94	\$37.74	\$39.63	\$41.61	
		\$5,933.20	\$6,229.60	\$6,541.60	\$6,869.20	\$7,212.40	
		\$71,198.40	\$74,755.20	\$78,499.20	\$82,430.40	\$86,548.80	
Transportation Engineering Manager	MC72	\$60.00	\$63.00	\$66.15	\$69.46	\$72.93	
		\$10,400.00	\$10,920.00	\$11,466.00	\$12,039.73	\$12,641.20	
		\$124,800.00	\$131,040.00	\$137,592.00	\$144,476.80	\$151,694.40	
Utilities & Streets Supervisor	MC73	\$36.53	\$38.36	\$40.27	\$42.29	\$44.40	
		\$6,331.87	\$6,649.07	\$6,980.13	\$7,330.27	\$7,696.00	
		\$75,982.40	\$79,788.80	\$83,761.60	\$87,963.20	\$92,352.00	



City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

City Council Meeting

File #: 21-884

Agenda #: A.

Agenda Date: 10/26/2021

Category: Public Hearing

FROM:

Community Development

SUBJECT:

Public Hearing and adoption of HUD ESG-CV Substantial Amendment

RECOMMENDATION:

1. Adopt the draft Substantial Amendment to the CDBG-CV and ESG-CV Action Plan;
2. Authorize the City Manager to execute and transmit any documents necessary or desirable to ensure the City's timely receipt of Community Development Block Grant-CARES Act (CDBG-CV) and Emergency Solutions Grant-CARES Act (ESG-CV) funding.

COUNCIL GOALS:

- To practice sound fiscal management by producing timely and accurate financial information.
- To concentrate on inter-governmental relations by pursuing financial participation from county, state and federal governments.

DISCUSSION:

As authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted on March 27, 2020, the City of Fontana (City) has received a special allocation of U.S. Department of Housing and Urban Development (HUD) resources for the Community Development Block Grant (CDBG-CV) and Emergency Solutions Grant (ESG-CV) programs. The City has received two allocations of the CDBG-CV and ESG-CV programs, as summarized below:

	CDBG-CV	ESG-CV
First Allocation	\$1,235,104	\$619,569
Second Allocation	\$1,232,380	\$1,723,436
Total	\$2,467,484	\$2,343,005

On July 14, 2020 and October 27, 2020, the City approved substantial amendments to allocate the original and second CDBG-CV and ESG-CV allocations respectively. This amendment will revise the activities of the ESG-CV allocation to include funds for the acquisition of a temporary emergency shelter. Capital costs for the rehabilitation of the shelter will be funded with Permanent Local Housing Allocation funds from the State of California Housing and Community Development Department.

The temporary emergency shelter will be conducted in accordance with Federal requirements and City zoning requirements.

The City proposes the following revised ESG-CV activities:

Activity Name	Proposed Funding Amount	Description
Homelessness Prevention	\$600,000	Provide homeless prevention assistance to households at-risk of becoming homeless.
Rapid Re-Housing	\$270,231	Provide short-term rental assistance to homeless households and individuals.
Emergency Shelter	\$287,000	Provide hotel and motel vouchers and wrap around services to unsheltered Fontana residents.
Street Outreach	\$195,174	Conduct outreach and provide wrap around services to unsheltered Fontana residents.
Temporary Emergency Shelter	\$700,000	Acquire a temporary emergency shelter due to increased demand for shelter assistance due to coronavirus pandemic for unsheltered Fontana residents.
HMIS	\$56,301	Ensure compliant documentation within HUD required database system.
Program Administration	\$234,299	Ensure compliant program design and implementation
TOTAL:	\$2,343,005	

FISCAL IMPACT:

Funds have already been received and are available in the CDBG Fund # 362

MOTION:

Approve staff recommendation.



The City of Fontana
Administrative Services Department

ACTION PLAN – SUBSTANTIAL AMENDMENT
CARE Act Funding Programs
(ESG-CV – Revised Activities)

DRAFT FOR PUBLIC COMMENT PERIOD
August 30 – September 28, 2021

This page intentionally left blank.

Table of Contents

EXECUTIVE SUMMARY	4
PROCESS	6
EXPECTED RESOURCES – 91.220(c)(1,2).....	9
ANNUAL GOALS AND OBJECTIVES – 91.220(c)(3).....	10
PROJECTS – 91.220(d)	11

Executive Summary

September 2021 – Amendment

Given the increased demand for emergency shelter for unsheltered homeless residents within the City of Fontana as a result of the coronavirus pandemic, the City proposes allocating \$730,000 for the acquisition of a property to serve as a temporary emergency shelter to serve at-risk unsheltered residents. The City proposes revising the budget of the ESG-CV activities to:

Activity	Original Allocation	Revised Allocation
Homeless Prevention	\$800,000	\$600,000
Rapid Re-Housing	\$770,231	\$270,231
Street Outreach	\$195,174	\$195,174
Emergency Shelter	\$287,000	\$287,000
Temporary Emergency Shelter	\$0	\$700,000
HMIS	\$56,301	\$56,301
Administration	\$234,299	\$234,299

December 2020 Minor Amendment

The City of Fontana completed a minor amendment to reflect minor changes to ESG-CV activities to activities based on program and operation need. This amendment is considered to be minor in nature as defined by the City's Citizen Participation Plan.

October 2020 – Amendment

The City of Fontana received additional special allocations for the Community Development Grant (CDBG-CV) and Emergency Solutions Grant (ESG-CV) from the U.S. Department of Housing and Urban Development (HUD) via the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The City received an additional \$1,232,380 in CDBG-CV resources and \$1,723,436 in ESG-CV resources. Combining the first allocations of CDBG-CV and ESG-CV respectively, the City received the following amounts via the CARES Act:

CDBG-CV: \$2,467,484

ESG-CV: \$2,343,005

September 2020 - Amendment

Given the high level of demand for housing assistance, the City of Fontana has reallocated \$488,084 from the economic development program to the housing assistance program. The City of Fontana will use

resources via the Department of Treasury Coronavirus Relief Fund to provide economic development assistance to Fontana businesses impacted by COVID-19.

Background

Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the President signed it on March 27, 2020 authorizing \$2.2 trillion in a variety of stimulus measures to prevent, prepare for, and respond to the COVID-19 pandemic. The law includes a special allocation of the Community Development Block Grant (CDBG-CV) and Emergency Solutions Grant (ESG-CV) funds to enable communities to effectively address the impact of COVID-19 on their communities, especially low- and moderate-income residents.

Sources

The City of Fontana will receive a combined allocation of the following grants from HUD under the CARES Act:

CDBG-CV	\$2,467,484
ESG-CV	\$2,343,005

These funds are separate and distinct from the City's regular CDBG and ESG funds. The City Council is responsible for determining how CDBG-CV and ESG-CV funds will be used to prevent, prepare and respond to the COVID-19 virus. In consultation with key City departments and partners serving the needs of low- and moderate-income in the community, this submission to the City Council requests approval of the new CDBG-CV and ESG-CV allocations.

Proposed Uses of Community Development Block Grant (CDBG-CV Allocation 2)

Housing Assistance:	\$985,904
Program Administration:	\$246,476

Proposed Uses of Emergency Solutions Grant (ESG-CV Allocation 2)

Homeless Assistance	\$1,551,093
Program Administration	\$172,343

Uses of Community Development Block Grant (CDBG-CV Allocation 1)

Housing Assistance:	\$988,084
Program Administration:	\$247,020

Uses of Emergency Solutions Grant (ESG-CV Allocation 1)

Homeless Assistance	\$557,613
Program Administration	\$61,956

Process

September 2021 Amendment

The City of Fontana is conducting a 30-day review period for this substantial amendment from August 30, 2021 – September 28, 2021. The City will conduct a virtual public hearing for the substantial amendment as part of the September 28, 2021 City Council meeting.

October 2020 Amendment

The City of Fontana is conducting a 5-day review period for this substantial amendment from October 22 – October 27, 2020. The City will conduct a virtual public hearing for the substantial amendment as part of the October 27, 2020 City Council meeting.

September 2020 Amendment

The City of Fontana is conducting a 5-day review period for this substantial amendment from September 18 – September 22, 2020. The City will conduct a virtual public hearing for the substantial amendment as part of the September 22, 2020 City Council meeting.

Original Amendment

Given the urgency to design and launch programs with the CDBG-CV and ESG-CV allocations, the CARES Act authorized grantees with the flexibility of providing 5-day public review periods and the authority to use virtual public hearings to fulfill applicable public hearing requirements. On March 31, 2020, HUD issued a memo authorizing grantees to modify public review and hearing requirements to comply with this flexibility. The City of Fontana requested the use of these waivers on April 21, 2020 and received approval from HUD on April 23, 2020 to utilize them.

As such, the City of Fontana is conducting a 5-day review period for this substantial amendment from July 10 – July 14, 2020. The City will conduct a virtual public hearing for the substantial amendment as part of the July 14, 2020 City Council meeting.

To encourage review and comment on the proposed activities, the City of Fontana published notices advertising the substantial amendment in English and Spanish newspapers. The City posted this amendment on the City's website for review and comment.

To ensure reasonable participation in the public hearing, the meeting will be broadcast live on KFON TV as well as through the City's website. Additionally, residents can listen to the public hearing via teleconference. Residents can submit comments via email or mail during the public review period or during the public hearing.

Sort Order	Activity	Target Population	Summary	Summary of Comments Received
1.	Public Hearing	<ul style="list-style-type: none"> • Minorities • Non-English Speaking • Persons with disabilities • Broad community • Residents of public/assisted housing • Stakeholders 	The City conducted its public hearing to review the Substantial Amendment to the Action Plan on July 14, 2020.	No comments
2.	Comment Period	<ul style="list-style-type: none"> • Minorities • Non-English Speaking • Persons with disabilities • Broad community • Residents of public/assisted housing • Stakeholders 	The City conducted its 5-day comment period from July 10 – July 14, 2020	No comments
3.	Public Hearing	<ul style="list-style-type: none"> • Minorities • Non-English Speaking • Persons with disabilities • Broad community • Residents of public/assisted housing • Stakeholders 	The City conducted its public hearing to review the Substantial Amendment to the Action Plan on September 22, 2020.	No comments
4.	Comment Period	<ul style="list-style-type: none"> • Minorities • Non-English Speaking • Persons with disabilities • Broad community • Residents of public/assisted housing • Stakeholders 	The City conducted its 5-day comment period from September 18 – September 22, 2020	No comments

5.	Public Hearing	<ul style="list-style-type: none"> • Minorities • Non-English Speaking • Persons with disabilities • Broad community • Residents of public/assisted housing • Stakeholders 	The City conducted its public hearing to review the Substantial Amendment to the Action Plan on October 27, 2020.	
6.	Comment Period	<ul style="list-style-type: none"> • Minorities • Non-English Speaking • Persons with disabilities • Broad community • Residents of public/assisted housing • Stakeholders 	The City conducted its 5-day comment period from October 22 – October 27, 2020	
7.	Public Hearing	<ul style="list-style-type: none"> • Minorities • Non-English Speaking • Persons with disabilities • Broad community • Residents of public/assisted housing • Stakeholders 	The City will conduct its public hearing to review the Substantial Amendment to the Action Plan on September 28, 2021.	
8.	Comment Period	<ul style="list-style-type: none"> • Minorities • Non-English Speaking • Persons with disabilities • Broad community • Residents of public/assisted housing • Stakeholders 	The City will conduct its 30-day comment period from August 30 – September 28, 2021	

Table 1 – Resident Engagement

Expected Resources – 91.220(c)(1,2)

Introduction

For the combined special allocations of CDBG-CV and ESG-CV resources, the City anticipates it will receive a CDBG allocation of \$2,467,484 and an ESG allocation of \$2,343,005. If HUD authorizes additional resources, the City will further amend this Action Plan.

Anticipated Resources

Program	Source of Funds	Use of Funds	CARES Act Allocation	Narrative Description
CDBG-CV	Public-Federal	<ul style="list-style-type: none">• Planning and Administration• Economic Development• Housing• Public Services	\$2,467,484	CDBG activities to prevent, prepare, or respond to COVID-19
ESG-CV	Public-Federal	<ul style="list-style-type: none">• Homeless Prevention• Rapid Rehousing	\$2,343,005	ESG activities to prevent, prepare, or respond to COVID-19

Table 2 - Expected Resources

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

In the initial planning and programming of these resources, the Community Development Department has worked closely with other city departments as well as County, State, and Federal partners to identify other available resources authorized through the CARES Act, the Small Business Administration (SBA), and Federal Emergency Management Agency (FEMA) that can be leveraged to maximize the impact of the CDBG-CV and ESG-CV resources.

Annual Goals and Objectives – 91.220(c)(3)

To allocate the CDBG-CV and ESG-CV programs, the City of Fontana has established one new goal for the Annual Action Plan.

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	COVID-19 Response	2019	2022	Affordable Housing; Non-Housing Community Development; Homeless	Citywide	COVID-19 Impact	CDBG: \$2,467,484 ESG: \$2,343,005	200 households; 80 persons (homeless prevention); 60 persons (rapid rehousing) 125 persons (street outreach); 100 persons (emergency shelter); 25 persons (temporary emergency shelter)

Table 3 – Annual Goals

Projects – 91.220(d)

Introduction

With the CDBG-CV and ESG-CV allocations, the City of Fontana will fund the following projects.

Projects

#	Project Name
1	Program Administration
2	Housing Assistance
3	ESG-CV Assistance

Table 4 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

These projects were determined in consultation with City staff, departments, and stakeholders serving low- and moderate-income residents of Fontana to identify critical needs resulting from COVID-19 within the City.

Project Summary Information

1	Project Name	Program Administration
	Target Area	Citywide
	Goals Supported	COVID-19 Response
	Needs Addressed	COVID-19 Impact
	Funding	CDBG: \$493,496
	Description	Overall administration of the CDBG-CV Program including: completion of grant application, oversight of citizen participation process, development of annual funding contracts with agencies, set up of projects in HUD funds disbursement system and draw down funds, implementation of projects and compliance with HUD reporting requirements. Eligibility of this activity is based on Section 105(a)(13) of HUD's regulation.
	Target Date	9/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	n/a
	Location Description	Activities will be managed from City offices.
	Planned Activities	Planning and Administration of the CDBG-CV Program.
	Project Name	Housing Assistance

2	Target Area	Citywide
	Goals Supported	COVID-19 Response
	Needs Addressed	COVID-19 Impact
	Funding	CDBG: \$1,973,988
	Description	Through this program, the City will provide short-term (3 consecutive months) of housing assistance to households adversely impacted by COVID-19.
	Target Date	12/31/2021
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that 200 low- and moderate-income households will benefit from this activity
	Location Description	Citywide
	Planned Activities	This program will provide immediate financial housing assistance to low- and moderate-income households that were adversely impacted by COVID-19 and are unable to pay rent or mortgage payments and will be at risk of eviction or foreclosure when current housing eviction moratoriums expire.
3	Project Name	ESG-CV Assistance
	Target Area	Citywide
	Goals Supported	COVID-19 Response
	Needs Addressed	COVID-19 Impact
	Funding	ESG: \$2,343,005
	Description	Support a continuum of services in Fontana and San Bernardino County to prevent and eliminate homelessness for households impacted by COVID-19 including but not limited to homeless prevention and rapid rehousing programs
	Target Date	9/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	(see planned activities below)
	Location Description	Citywide

	Planned Activities	Street Outreach (125 persons assisted) \$195,174 Emergency Shelter (100 persons assisted) \$287,000 Rapid Re-Housing (60 persons) \$270,231 Homeless Prevention (80 persons) \$600,000 Temporary Emergency Shelter (25 persons): \$700,000 HMIS \$56,301 ESG Program Administration \$234,299
--	---------------------------	--

Table 5 – Project Details



City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

City Council Meeting

File #: 21-943

Agenda #: B.

Agenda Date: 10/26/2021

Category: Public Hearing

FROM:

Planning

SUBJECT:

Appeal No. 21-004: A request for an appeal to overturn the Planning Commission's decision on August 17, 2021, approving Tentative Parcel Map No. 20235 (TPM No. 20-014) and Design Review No. 20-019 for a new warehouse building totaling approximately 247,786 square foot including a maximum of two potential office/mezzanine space of approximately 4,000 square foot each, 34 warehouse dock doors, two ground level loading doors, 117 automobile parking spaces, and 50 trailer parking spaces. The building will have a maximum height of 42-foot. The site is located on the northeast corner of the intersection of Washington Drive and Redwood Avenue the Light Industrial (M-1) Zoning District within the City of Fontana.

RECOMMENDATION:

Deny Appeal No. 21-004, and uphold the Planning Commission's decision on August 17, 2021, approving Tentative Parcel Map No. 20235 (TPM No. 20-014), and Design Review No. 20-019 to construct a new proposed warehouse building totaling approximately 247,786 square foot including a maximum of two potential office/mezzanine space of approximately 4,000 square foot each, 34 warehouse dock doors, two ground level loading doors, 117 automobile parking spaces, and 50 trailer parking spaces, and add additional voluntary Conditions of Approval.

COUNCIL GOALS:

- To create a team by working together to provide stability and consistent policy direction.
- To create a team by ensuring commissions work within clear guidelines to achieve Council goals.

DISCUSSION:

On August 17, 2021, the Planning Commission held a public hearing and after hearing public comments and consideration of the evidence presented, they approved Tentative Parcel Map No. 20235 (TPM No. 20-014) to combine six parcels (APNs: 0234-241-14 and -15, and 0234-251-01, -02 -03, and -08,) into one lot of approximately 10.8 adjusted gross acres, and approved Design Review No. 20-019 for a new warehouse building totaling approximately 247,786 square foot including a maximum of two potential office/mezzanine space of approximately 4,000 square foot each, along with the adoption of an Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program on the northwest corner of Washington Drive and Redwood Avenue. During the public hearing, three (3) people spoke in opposition of the project identifying additional truck traffic, air quality, and quality of life. Additionally, the Planning Commission had one general question for the applicant. The Planning Commission report and minutes have been included as attachments

(Attachment Nos. 5 and 6) for additional background information.

Pursuant to Section No. 15070 of the California Environmental Act (CEQA) and pursuant to Section No. 6.04 of the 2019 Local Guidelines for Implementing CEQA an Initial Study (IS), Mitigated Negative Declaration (MND), and Mitigation Monitoring and Reporting Program was prepared for this project. Based on the information in the IS/MND, the project could not have a significant effect on the environment provided the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program are implemented accordingly. A Notice of Determination was prepared and adopted by the Planning Commission.

Subsequent to the Planning Commission approval Ana Gonzalez, filed an appeal (Appeal No. 21-004) on September 1, 2021, of the Planning Commission approval of Tentative Parcel Map No. 20235 (TPM No. 20-014), and Design Review No. 20-019 on August 17, 2021, which is included as Attachment No.1.

Appeal:

As previously mentioned, on September 1, 2021, the applicant, Ana Gonzalez, submitted an appeal application and letter (Attachment No 1) asserting that the project would not qualify for an environmental determination of a Categorical Exemption since it would not meet the required thresholds. The Appeal claims that the project will result in negative air quality impacts due to truck traffic to and from the distribution and logistics warehouse and the adjacent area. The appeal also argues that there could be health issues related to exposure to ambient air pollutants. The Appeal further argues that the project does not meet the requirements of MM GHG-1 of the City of Fontana General Plan which requires a reduction of 28.5 percent below baseline conditions. Finally, the appeal asserts that cumulative effects of the warehouse in the area should be studied for health and safety concerns.

T&B Planning, Inc., the CEQA consultant who prepared the IS/MND, has prepared a detailed written response to the assertions in the Appeal, which is included as Attachment No. 7. As detailed in the response:

- An IS/MND, not a categorical exemption, was prepared for the Project in compliance with CEQA. The analysis in the IS/MND is based on substantial evidence, including 15 technical reports. It concluded that, with application of the nine (9) mitigation measures listed in the IS/MND, the Project would not result in significant effects on the environment.
- The IS/MND and supporting Air Quality Impact Analysis document that the Project will not exceed the regional or localized significance thresholds established by the South Coast Air Quality Management District (SCAQMD) for any criteria air pollutant after mitigation. Further, Mobile Source Health Risk Assessment found that the Project would not expose sensitive receptors near the Project site and the Project's truck travel route to carcinogenic and non-carcinogenic (chronic) health hazard risks that exceed the SCAQMD's significance thresholds.

- The IS/MND's Greenhouse Gas Analysis demonstrates that the Project is calculated to generate 2,870.3 metric tons of carbon dioxide equivalent per year (MTCO₂e/yr.), which is below the level (3,000 MTCO₂e/yr.) that the SCAQMD determined is significant for all development projects. Further, the Project involves the redevelopment of a property that currently contains a construction and mining company, 2 trucking businesses, a steel decking materials supply business, and three non-conforming residential structures. Given this, redevelopment of the site the project will actually reduce the existing air emissions coming from the site.
- The IS/MND addresses the Project's potential air quality effects - from construction and operation - using computer models and analysis methodologies recommended by the South Coast Air Quality Management District (SCAQMD), California Air Resources Board (CARB), and United States Environmental Protection Agency (EPA). It demonstrates that the Project would not generate air pollution that results in a substantial adverse effect on the environment or a substantial risk to human health.
- The Project does not conflict with Performance Standard MM-GHG-1 from the General Plan Update EIR. GHG emissions reductions in the state are governed by SB 32, which requires emissions to be reduced by 40% below 1990 levels by the year 2030. The emissions mandate of SB 32 is more stringent than the 28.5 percent below BAU requirement in Performance Standard MM-GHG-1 from the General Plan Update EIR. The IS/MND documents that the State is on pace to achieve the GHG emissions target of SB 32 based on regulations that are already in effect, and the Project would not directly or indirectly conflict with State's ability to meet its 2030 GHG emissions reduction target.
- The IS/MND and its supporting Air Quality Impact Analysis appropriately use the passenger vehicle fleet mix from CalEEMod. CalEEMod is a Statewide land use emission computer model developed for the California Air Pollution Officers Association (CAPCOA) in collaboration with the California Air Districts, including the SCAQMD, that provides a uniform platform to quantify potential criteria pollutant emissions associated with construction and operation of land development projects. The underlying assumptions of CalEEMod, including the passenger vehicle mix, were approved by SCAQMD and are appropriate to use for air quality analyses in the South Coast Air Basin.
- As documented by Ramboll at a joint Planning Commission and City Council Workshop held on September 14, 2021, nitrogen dioxide concentration and particulate matter in Fontana are already below the federal standards, air toxic cancer risk has decreased by 76% from 1998 to 2018 and is expected to decrease by an additional 20% by 2023.

Though not required by CEQA, as all Project air quality impacts are, with mitigation, already less than significant, the applicant has voluntarily agreed to impose, as Conditions of Approval, those measures concerning air quality that are contained General Plan EIR MMRP Table 2-2, which is included as Attachment No. 8.

FISCAL IMPACT:
None

MOTION:

Approve staff recommendation.

September 1, 2021

To Whom It May Concern:

We are submitting this letter to appeal the decision of the Planning Commission made on August 17, 2021 approving application Master Case No. 20-049, Tentative Parcel Map No. 20235 (TPM. No. 20-014), and Design Review No. 20-019 - To review and approve a Tentative Parcel Map as a request to combine six parcels (APNs: 0234-241-14 and -15, and 0234-251-01, -02 -03, and -08,) into one lot of approximately 10.8 adjusted gross acres; and, a Design Review as a request for site and architectural review a new warehouse facility of approximately 247,786 square foot including a maximum of two potential office/mezzanine space of approximately 4,000 square foot each, 34 warehouse dock doors, two ground level loading doors, 117 automobile parking spaces, and 50 trailer parking spaces. The building will have a maximum height of 42-foot.

We at the Center for Community Action and Environmental Justice along with the South Fontana Concerned Citizens Coalition strongly believe that this approval is improper because an environmental impact report was not completed for this Project, and the CEQA exemption the City has used does not apply to this Project.

The Health Effects Institute has conducted many studies that link pollution to many health and social stressors, a most recent study states, "There is ample epidemiological and toxicological evidence that short- and long-term exposures to ambient air pollutants are associated with CVD events such as heart attacks and stroke. At the same time, evidence also indicates that the likelihood of CVD events is associated with social and economic disadvantage factors." (HEI, pg.1)

<https://www.healtheffects.org/publication/social-susceptibility-multiple-air-pollutants-cardiovascular-disease>

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 CO₂".

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

In the last appeal, the planning commission/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.

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 is filing this appeal because it is apparent that this basic threshold has not been met for this project.

Per existing data from CalEnviroScreen 4.0 (Figure 1), the location where the Project would be located is already overburdened, including from air quality pollutants linked to an increase in truck traffic such as that which comes with warehouses.

It is impossible at present 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 as that information has not been provided in the IS/MND which was prepared for this Project. Instead, the study documents show the exact opposite. Per the GHG Analysis prepared for the Project in January 2021, its construction and operation is projected to result in an increase of 2,870 tons of CO_{2e} from all sources (Table 3-6: Project GHG Emissions), yet no mechanism to reduce those emissions to meet the requirements of *the City’s own policy* is identified in any of the documents. That is also directly 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*.

Additionally, the data used for computation of the emissions appears questionable, meaning that the GHG Analysis potentially *undercounts* total emissions and that using the correct numbers would put it above the SCAQMD’s thresholds of significance as well. Per Table 3-4: Passenger Car Fleet Mix, it is expected that “LDA[s]” would make up more than 60% of the vehicle fleet. However, per data from the CA New Car Dealer Association going back several years¹²³⁴, the portion of new car sales in the state which are in that category has been steadily falling, arriving to a situation where as of the first quarter of 2021, “Car[s]” made up less than a third of all new passenger vehicle sales while “Light Truck[s]” have surpassed the two-thirds mark⁵. While it

¹ California New Car Dealers Association (May 2017). State new vehicle market predicted to remain strong in 2017. California Auto OutlookTM: Comprehensive Information on the California vehicle market, 13(2). Retrieved from: <https://www.cncda.org/wp-content/uploads/CA-Auto-Outlook-1Q-2017.pdf>.

² California New Car Dealers Association (May 2018). New vehicle registrations in state could exceed 2 million for fourth straight year in '18. California Auto OutlookTM: Comprehensive Information on the California vehicle market. Volume 14, Number 2. Retrieved from: <https://www.cncda.org/wp-content/uploads/California-Covering-1Q-2018-1.pdf>.

³ California New Car Dealers Association (May 2019). New vehicle registrations should exceed 1.9 million units in 2019; despite mild decline. California Auto OutlookTM: Comprehensive Information on the California vehicle market. Volume 15, Number 2. Retrieved from: <https://www.cncda.org/wp-content/uploads/Cal-Covering-1Q-19.pdf>.

⁴ California New Car Dealers Association (May 2020). COVID-19 pandemic put the brakes on state new vehicle market. California Auto OutlookTM: Comprehensive Information on the California vehicle market. Volume 16, Number 2. Retrieved from: <https://www.cncda.org/wp-content/uploads/Cal-Covering-1Q-20-REVISED.pdf>.

⁵ California New Car Dealers Association (May 2021). State new light vehicle registrations predicted to increase by 10 percent in 2021. California Auto OutlookTM: Comprehensive Information on the California vehicle market. Volume 17, Number 2. Retrieved from: <https://www.cncda.org/wp-content/uploads/Cal-Covering-1Q-21.pdf>.

certainly is true that the mix of current sales is not necessarily the mix of the entire fleet, this shift has been ongoing for several years now so it does seem unreasonable for the Analyses completed for the Project to continue to assume that LDAs account for more than 60% of the vehicle fleet and even more egregious, that such a mix will continue into the future.

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/>

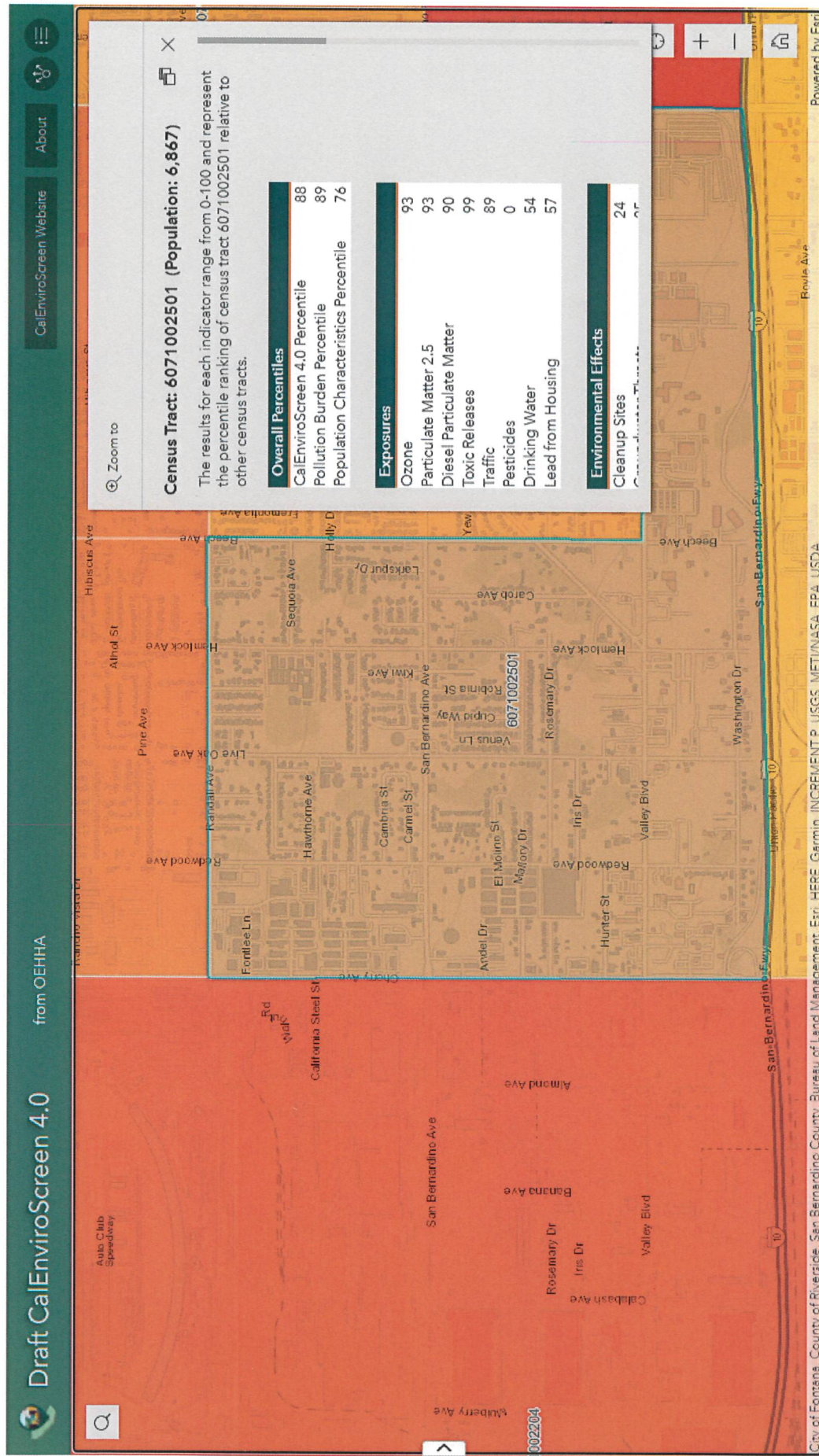
In addition, we demand that the true impacts of the cumulative effects of all South Fontana warehouse developments over the past ten years, be studied and released to the community, so that damages to public health and safety can be determined.

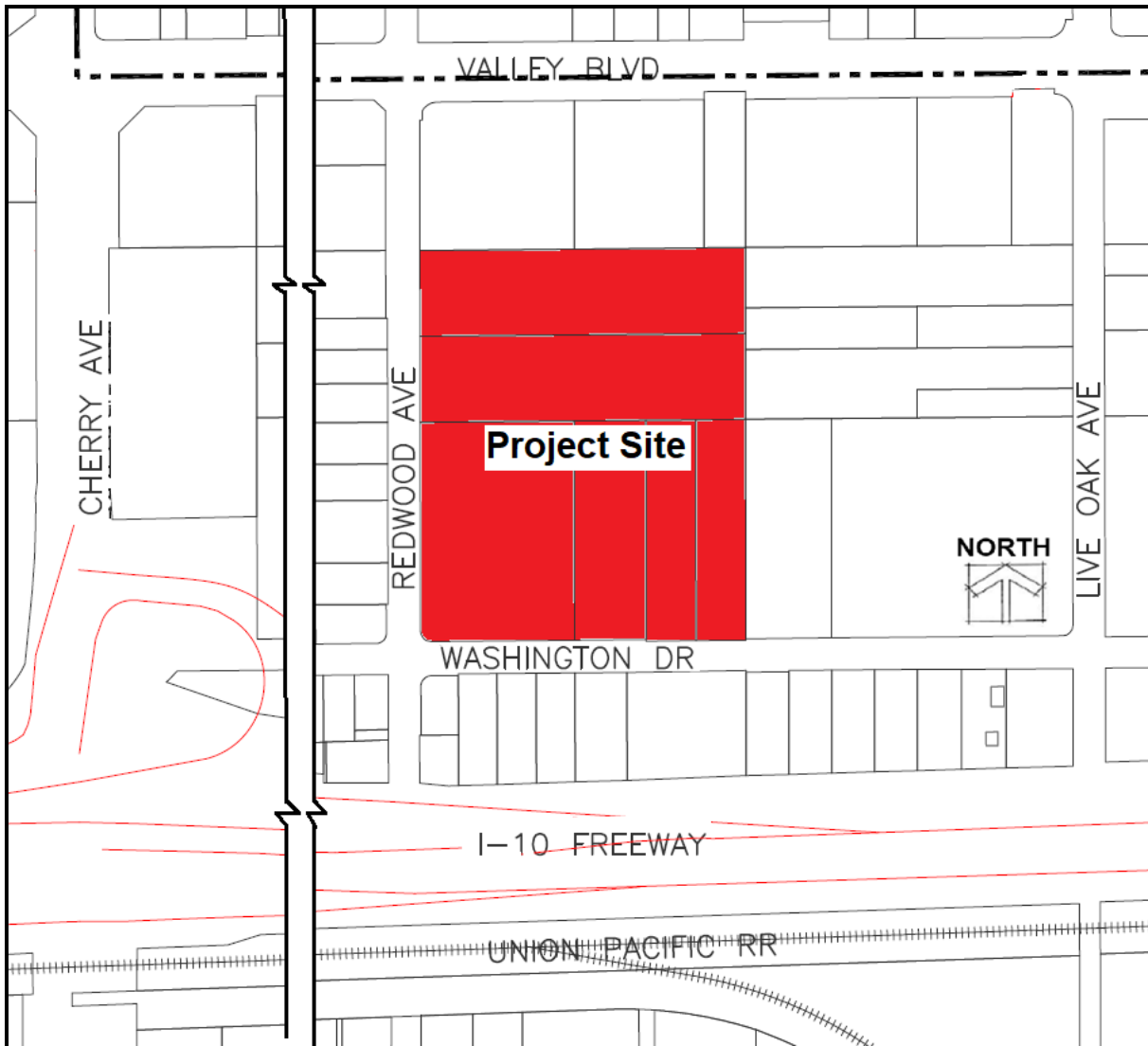
Finally, we demand for the health and safety of the community, that the city council approve our appeal and stop this latest development from moving forward, until a full health and safety accounting of this project and all past and pending projects can be made public during the school year, so parents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

Respectfully,

Ana Gonzalez, Interim Executive Director
Center for Community Action and Environmental Justice

Liz Sena, Founder
South Fontana Concerned Citizens Coalition

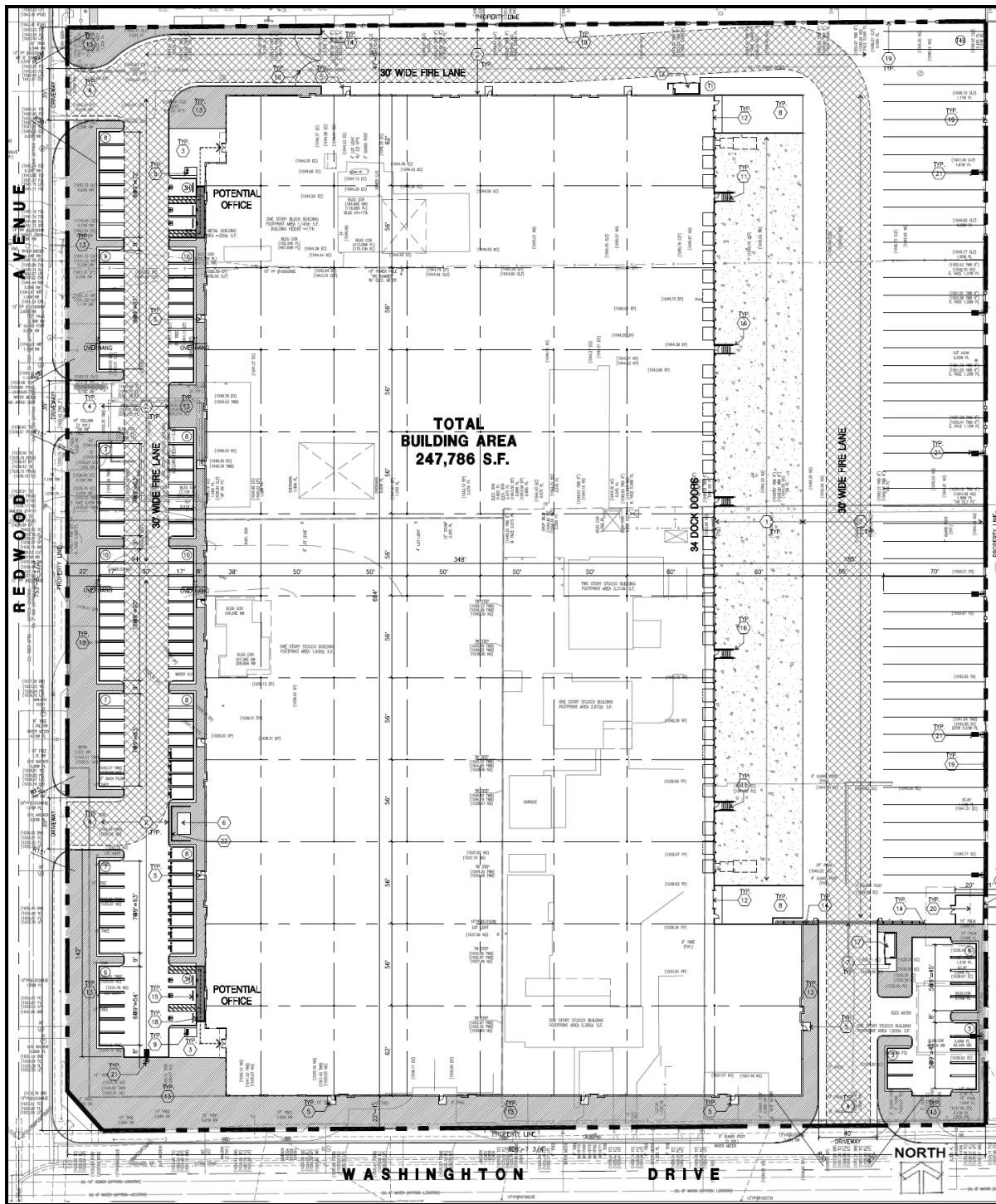




VICINITY MAP

DATE: October 26, 2021

CASE: Master Case No. 20-049
Appeal No. 21-004



SITE PLAN

DATE: October 26, 2021

CASE: Master Case No. 20-049
Appeal No. 21-004



ELEVATIONS

DATE: October 26, 2021

CASE: Master Case No. 20-049
Appeal No. 21-004



City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

Planning Commission

File #: 21-809
Agenda #: PH-B

Agenda Date: 8/17/2021
Category: Public Hearing

FROM:
Planning

TITLE: .
Master Case No. 20-049, Tentative Parcel Map No. 20235 (TPM No. 20-014), and Design Review No. 20-019

RECOMMENDATION:

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

1. Adopt the Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program and direct staff to file the Notice of Determination; and

2. Approve Tentative Parcel Map No. 20235 and Design Review No. 20-019.

APPLICANT:

Alere Property Group
100 Bayview Circle, Suite No. 310
Newport Beach, CA 92660

LOCATION:

The project site is located on the northeast corner of the intersection of Washington Drive and Redwood Avenue with a frontage of approximately 605-foot on the north side of Washington Drive and a second frontage of approximately 735-foot on the east Redwood Avenue.

REQUEST:

Tentative Parcel Map No. 20235 is a request to combine six parcels (APNs: 0234-241-14 and -15, and 0234-251-01, -02 -03, and -08,) into one lot of approximately 10.8 adjusted gross acres.

Design Review No. 20-019 is a request for site and architectural review a new warehouse facility of approximately 247,786 square foot including a maximum of two potential office/mezzanine space of approximately 4,000 square foot each, 34 warehouse dock doors, two ground level loading doors, 117 automobile parking spaces, and 50 trailer parking spaces. The building will have a maximum height of 42-foot.

PROJECT PLANNER:

Jon S. Dille, Associate Planner

I. BACKGROUND INFORMATION:

File #: 21-809
Agenda #: PH-B

Agenda Date: 8/17/2021
Category: Public Hearing

A. Land Use Designation:

	General Plan	Zoning District	Existing Land Use
Site:	Light Industrial (I-L)	Light Industrial (M-1)	Single-Family Home, Trucking Company, Heavy Equipment Rentals, and Contractor's Storage Yard
North:	Light Industrial (I-L)	Light Industrial (M-1)	Tractor Sale and Auto Repair
South:	Light Industrial (I-L)	Light Industrial (M-1)	Single- and Multi-Family Homes (non-conforming)
East:	Light Industrial (I-L)	Light Industrial (M-1)	Trucking Uses
West:	Light Industrial (I-L)	Light Industrial (M-1)	Single- and Multi-Family Homes (non-conforming)

B. Environmental Review Finding:

Pursuant to Section No. 15070 of the California Environmental Act (CEQA) and pursuant to Section No. 6.04 of the 2019 Local Guidelines for Implementing CEQA an Initial Study (IS), Mitigated Negative Declaration (MND), and Mitigation Monitoring and Reporting Program has been prepared for this project. Based on the information in the IS/MND, the project could not have a significant effect on the environment provided the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program are implemented accordingly. A Notice of Determination has been prepared for the Planning Commission's consideration. The mitigation measures from the Mitigation Monitoring and Reporting Program are included herein as part of the Conditions of Approval.

II. **PROJECT DESCRIPTION:**

A.→Site Area:↵		Approximately 10.8 adjusted gross acres↵		
B.→Building Analysis:↵		↵		
Office/Mezzanine No. 1:↵	Approximately	4,000↵	square feet↵	
Office/Mezzanine No. 2:↵	Approximately	4,000↵	square feet↵	
Warehouse Area:↵	Approximately	239,786↵	square feet↵	
Total Area:↵	Approximately	247,786↵	square feet↵	
C.→Development Standards:↵				
↵	Required↵	Proposed↵	Meet Standard↵	
Lot Area↵	20,000 sq. ft.↵	471,665 sq. ft.↵	Yes↵	
Building Height↵	75-Foot Max.↵	42-Foot↵	Yes↵	
Lot Coverage↵	60-Percent Max.↵	52-Percent↵	Yes↵	
FAR↵	0.6↵	0.6↵	Yes↵	

File #: 21-809
Agenda #: PH-B

Agenda Date: 8/17/2021
Category: Public Hearing

Setbacks--Building	□	□	□
Washington Drive	20-Foot-Min.	22-Foot	Yes
Redwood Avenue	20-Foot-Min.	94-Foot	Yes
Interior	5-Foot-Min.	47-Foot	Yes
Setbacks--Parking	□	□	□
Washington Drive	20-Foot-Min.	22-Foot	Yes
Redwood Avenue	20-Foot-Min.	22-Foot	Yes
Interior	5-Foot-Min.	5-Foot	Yes
Landscaping	34,182-sq. ft. (15%)	43,265-sq. ft. (19%)	Yes
Parking/Loading	□	□	□
Passenger	70-Spaces	117-Spaces	Yes
Trailer	48-Spaces	56-Spaces	Yes
Loading	8-Spaces	34-Spaces	Yes

III. ANALYSIS:

The applicant, Alere Property Group, is requesting that the Planning Commission review and approve Tentative Parcel Map No. 20235 to merge the six parcels (APNs: 0234-241-14 and -15, and 0234-251-01, -02 -03, and -08,) into one lot of approximately 10.8 adjusted gross acres, and Design Review No. 20-019; an application to develop a new tilt-up speculative warehouse building of approximately 247,786 square foot including a maximum of two potential office/mezzanine space of approximately 4,000 square foot each, 34 warehouse dock doors, two ground level loading doors, 117 automobile parking spaces, and 50 trailer parking spaces. The building height varies between 40-foot to 42.5-foot. In addition to the construction of the building and associated site improvements, the project will include street widening of Slover Avenue and Catawba Avenue.

Tentative Parcel Map No. 20235

The existing project site is made up of six separate parcels, that are currently developed. The project will require the demolition of all the existing structures (house, metal building, shade structures, and sheds) and the existing parcels shall be consolidated into one as part of Tentative Parcel Map No. 20235 which is a request to combine six parcels (APNs: 0234-241-14 and -15, and 0234-251-01, -02 -03, and -08,) into one lot of approximately 10.8 adjusted gross acres.

Design Review No. 20-019

There are two proposed potential offices located on the southwest and northwest corners of the building. The use of glazing, columns, and ICE siding in white, gray, and an earth tone colors will add structural and visual interest to the building. Metal canopies are proposed to add a shadow lines and depth to the elevations. Additionally, variations to the building and roof lines will be architecturally pleasing and consistent with the surrounding buildings.

There are four proposed driveways, one on Washington Drive and three on Redwood Avenue. Two of the driveways on Redwood Avenue are designed to accommodate passenger vehicle traffic only, while the Washington Drive and the northern most driveways are designed to accommodate commercial truck traffic and passenger vehicle traffic. The unloading/loading area for the trucks is proposed on the east side of the project site, behind the building. This area will be screened from the public right-of-way and public view with the building and a combination of a 14-foot decorative screen wall and dense landscaping.

The project shall be served by the City's sanitary sewer system. There is an existing sewer main within Washington Drive a lateral connection is proposed. The applicant shall connect the proposed building to sewer main. All construction shall be in accordance with the City Standards.

The project site is physically suitable in size and shape to support the development of the proposed warehouse facility.

File #: 21-809
Agenda #: PH-B

Agenda Date: 8/17/2021
Category: Public Hearing

The applicable building codes, zoning codes, and fire codes will make for a safe and well-designed project. As proposed, the project is consistent with the standards of the Zoning and Development Code. The character of the surrounding neighborhood reflects some industrial uses consisting of a warehouse building, two retail uses with outdoor display, and several single-family homes that are legal non-conforming. The proposal has been designed to be compatible with the surrounding uses while also providing a development that has been designed with features (architectural relief, added landscaping, street improvements, and lighting) to enhance the character of the surrounding neighborhood.

MOTION:

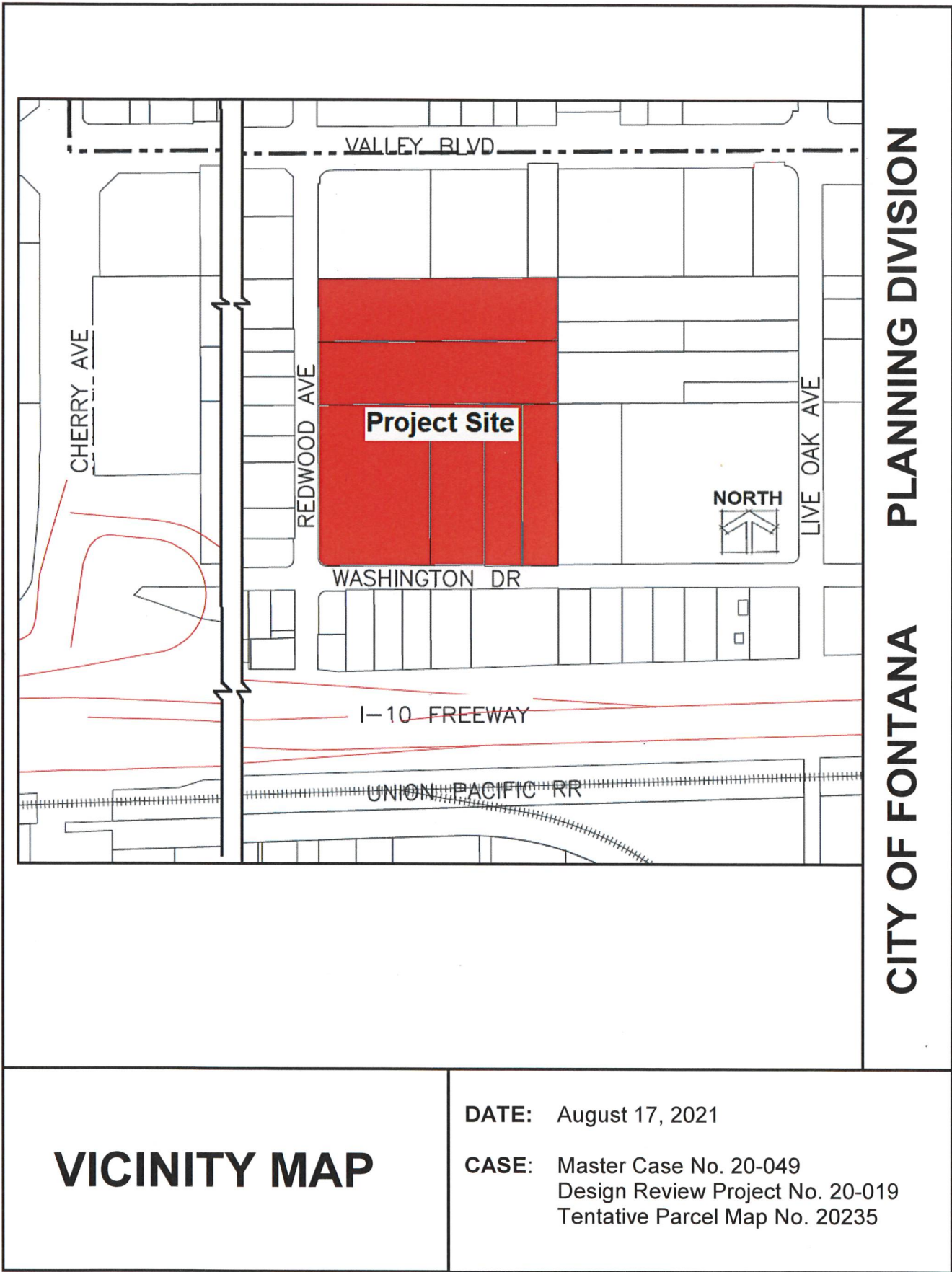
Approve staff recommendation.

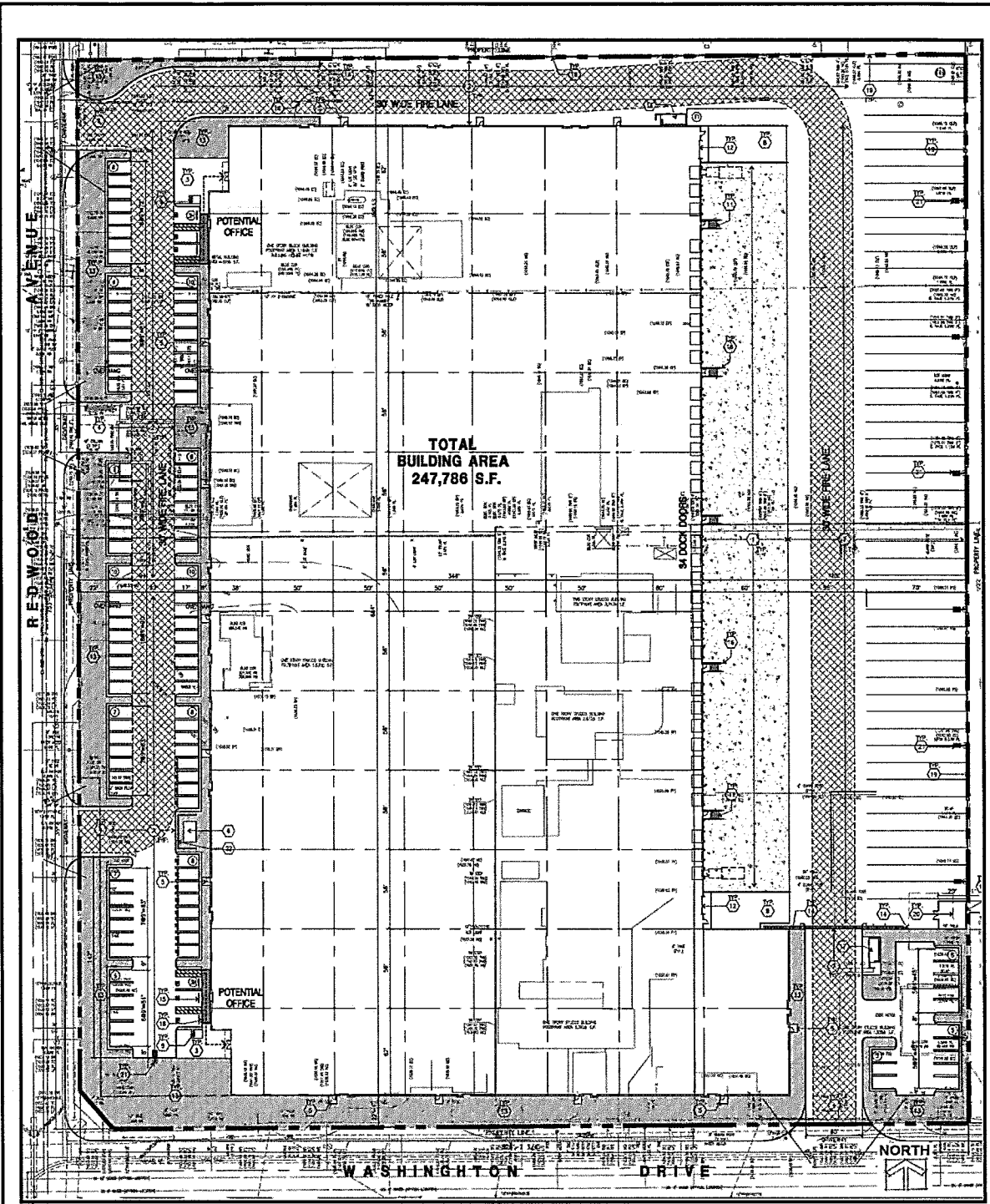
ATTACHMENTS:

1. Vicinity Map
2. Site Plan
3. Floor Plan
4. Elevations
5. P.C. Resolution, Findings and Conditions of Approval
6. Notice of Determination
7. Notice of Intent to Adopt an IS and MND and Notice of Public Hearing

UNDER SEPARATE COVER:

1. Full Size Plans
2. Reduced Color Plans
3. Initial Study (Environmental Checklist), Mitigated Negative Declaration, and Mitigation Monitoring and Reporting Program





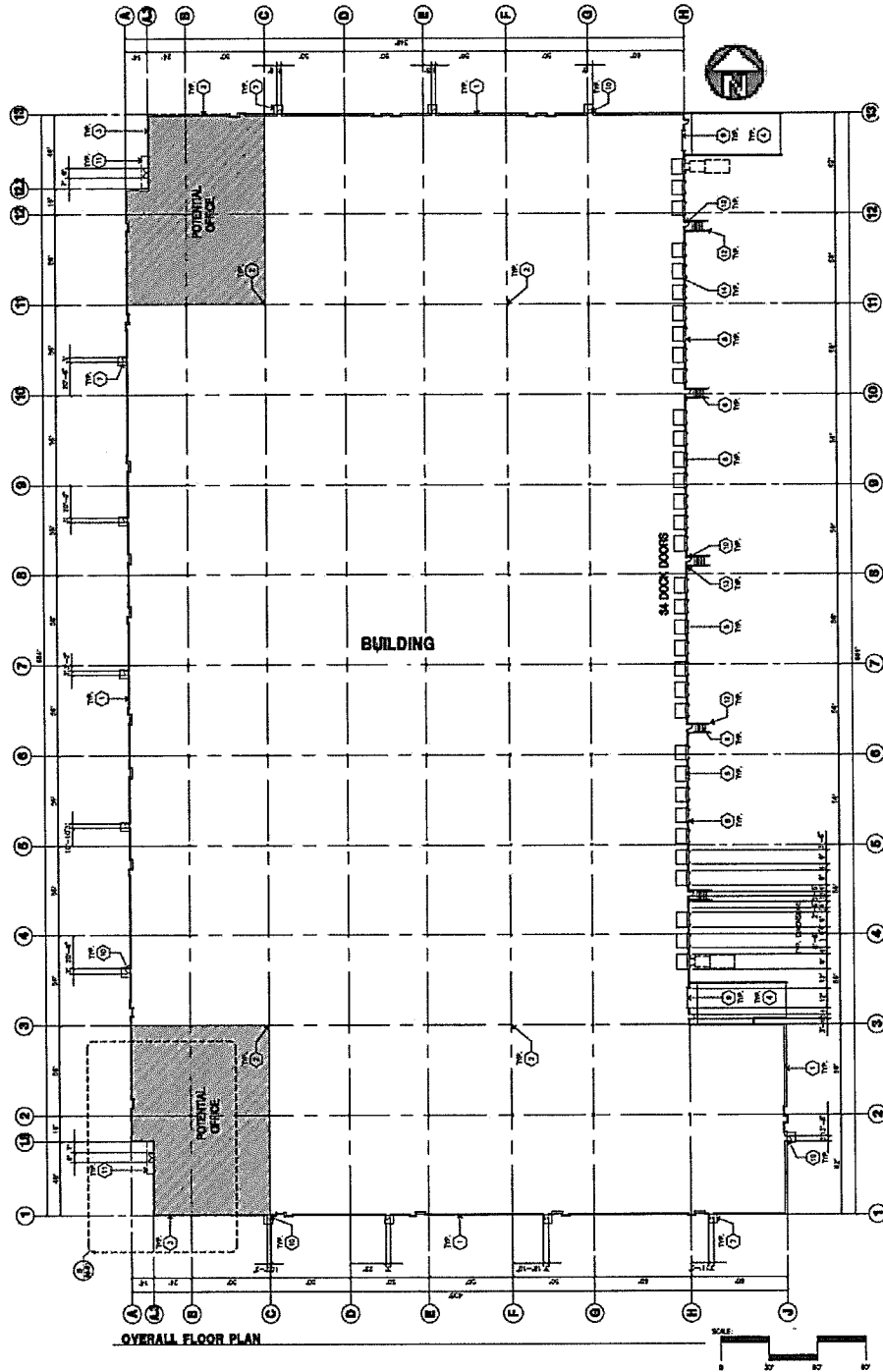
SITE PLAN

DATE: August 17, 2021

CASE: Master Case No. 20-049
Design Review Project No. 20-019
Tentative Parcel Map No. 20235

CITY OF FONTANA PLANNING DIVISION

CITY OF FONTANA PLANNING DIVISION



FLOOR PLAN

DATE: August 17, 2021

CASE: Master Case No. 20-049
Design Review Project No. 20-019
Tentative Parcel Map No. 20235



CITY OF FONTANA PLANNING DIVISION

ELEVATIONS

DATE: August 17, 2021

CASE: Master Case No. 20-049
Design Review Project No. 20-019
Tentative Parcel Map No. 20235

RESOLUTION NO. PC 2021-__

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF FONTANA RECOMMENDING THAT THE PLANNING COMMISSION ADOPT A RESOLUTION ADOPTING THE MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING REPORTING PROGRAM AND DIRECT STAFF TO FILE THE NOTICE OF DETERMINATION AND APPROVE TENTATIVE PARCEL MAP NO. 20235 AND DESIGN REVIEW NO. 20-019 FOR THE CONSTRUCTION OF A WAREHOUSE FACILITY OF APPROXIMATELY 247,786 SQUARE FOOT OVER SIX PARCELS OF APPROXIMATELY 10.8 ADJUSTED GROSS ACRES.

WHEREAS, the City of Fontana received an application on May 19, 2020, for a Tentative Parcel Map No. 20235 and Design Review No. 20-019 for the construction of a warehouse facility over six parcels of approximately 10.8 adjusted gross acre site.

Project Applicant: Alere Property Group
100 Bayview Circle, Suite No. 310
Newport Beach, CA 92660

Project Location: The project site is located on the northeast corner of the intersection of Washington Drive and Redwood Avenue with a frontage of approximately 605-foot on the north side of Washington Drive and a second frontage of approximately 735-foot on the east Redwood Avenue.

Site Area: 10.8 adjusted gross acres

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, all of the notices required by statute or the City Municipal Code have been given as required; and

WHEREAS, pursuant to Section No. 15070 California Environmental Act (CEQA), and pursuant Section No. 6.04 of the 2019 Local Guidelines for Implementing CEQA, an Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program were prepared in April 2021, and concluded that no significant impacts would be caused by the project, therefore, a Notice of Determination was prepared for Planning Commission's consideration; and

WHEREAS, the subject site includes six parcels that have been previously developed and was annexed from San Bernardino County into the City of Fontana on September 19, 2006 (Annexation no. 168C); and

WHEREAS, pursuant to the Fontana's Zoning and Development Code, industrial facilities over 49,999 square feet require approval of a Design Review by the Planning Commission; and

PC Resolution No. 2021-__

WHEREAS, Design Review No. 20-019 is in compliance with the General Plan; and,

WHEREAS, pursuant to the Municipal Code and the Zoning and Development Code the City staff encourages Tentative Parcel Map application when combining contiguous parcels under common ownership into one parcel. The Tentative Parcel Map can be reviewed and approved by the Director of Community Development; and

WHEREAS, Tentative Parcel Map No. 20235 is in compliance with the General Plan; 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 *Fontana Herald* newspaper on July 26, 2021, posted at City Hall, and onsite at the project site; and

WHEREAS, on August 17, 2021, a duly noticed public hearing on Design Review No. 20-019 and Tentative Parcel Map No. 20235 was held by the Planning Commission to consider testimony and evidence presented by the applicant, City staff, and other interested parties, at the Public Hearing held with respect hereto; and

WHEREAS, the Planning Commission carefully considered all information pertaining to the proposed project, including the staff report, findings, and all of the information, evidence, and testimony presented at its public hearing on August 17, 2021; and

WHEREAS, all other legal prerequisites to the adoption of this resolution have occurred.

NOW, THEREFORE, the Planning Commission RESOLVES as follows:

Section 1. The City of Fontana's, Planning Commission hereby makes the following findings for Tentative Parcel Map No. 20235 (TPM No. 20-014) in accordance with Section No. 26-218(d) "Processing of application," of the Fontana Subdivision Code:

Finding No. 1: **The proposed parcel map is consistent with the City's General Plan.**

Findings of Fact: This Tentative Parcel Map No. 20235 is consistent with the General Plan Land Use Designation for the project site, which is Light Industrial (I-L). The I-L designation is intended to accommodate employee-intensive uses, including business parks, research and development, and warehouses that are designed in ways that limit off-site impacts. The Tentative Parcel Map will combine six parcels (APNs: 0234-241-14 and -15, and 0234-251-01, -02 -03, and -08,) totaling approximately 10.8 adjusted gross acres, into one parcel for a single development of a warehouse/distribution facility of

PC Resolution No. 2021-__

approximately 247,786 square feet which is a land use permitted in the General Plan.

Finding No. 2: The design and improvements of the proposed Tentative Parcel Map is consistent with the General Plan.

Findings of Fact: The design of Tentative Parcel Map No. 20235 consolidating the six parcels is consistent with the General Plan. The lot size and street configuration conform to the requirements of the Land Use, Zoning, and Urban Design Element, Community Mobility and Circulation Element, Subdivisions (Chapter No. 26), and the Zoning and Development Code (Chapter No. 30). The project includes public sewer, public storm drain, streets, gutter, sidewalks, drainage, and grading to provide a safe and well-designed project for the area.

Finding No. 3: The site is physically suitable for the type and density of development proposed.

Findings of Fact: The project site, of approximately 10.8 adjusted gross acres, is of an adequate size to accommodate the development referenced herein. The existing topography of the site is less than two percent gradient and development of the site did not require setback variances; therefore, the site is suitable for this type of development.

Finding No. 4: The design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or will not substantially and avoidably injure fish or wildlife or their habitat.

Findings of Fact: The design of Tentative Parcel Map No. 20235 is not likely to cause substantial environmental damage or substantially and unavoidably injure fish or wildlife or their habitat. In addition, the site is neither located in an area identified as sensitive habitat nor is an area that would support sensitive wildlife. The project could not have a significant effect on the environment as a result of project implementation. The Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program anticipated this project and adequately identified any potential impacts associated with the project. The Mitigation Monitoring and Reporting Program determined that there are no new additional impacts beyond what was anticipated in the Mitigated Negative Declaration. The Initial Study/Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program has been prepared and made a part of the environmental documentation and Conditions of Approval for this project.

Finding No. 5: The design of the subdivision or type of improvements will not cause serious public health problems.

Findings of Fact: Tentative Parcel Map No. 20235 will not cause health problems. The

proposed development complies with the Zoning and Development Code, and the General Plan. Improvements include public sewer, public storm drain, streets, sidewalks, drainage, and grading to provide a safe and well-designed project for the area. Therefore, the project shall promote the public health, safety, and welfare of the surrounding community.

Finding No. 6: That the design of the subdivision or the type of improvements will not conflict with easements acquired by the public at large for access through or use of property within the proposed subdivision. The planning commission may approve a map if it finds that alternative easements, for access or for use, will be provided, and that these will be substantially equivalent to easements previously acquired by the public.

Findings of Fact: The design of Tentative Parcel Map No. 20235 and public improvements will not conflict with access easements acquired by the public. The proposed lot is accessed from Washington Drive and Redwood Avenue which are publicly maintained streets. Currently there are no other public access easements through or within the proposed project site.

Section 2. The City of Fontana's, Planning Commission hereby makes the following findings for Design Review No. 20-019 in accordance with Section No. 30-120 "Findings for approval" of the City of Fontana's 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 project site is located on the northeast corner of the intersection of Washington Drive and Redwood Avenue. The project site has a General Plan land use designation of Light Industrial (I-L). The I-L designation is intended to accommodate employee-intensive uses, including business parks, research and development, and warehouses that are designed in ways that limit off-site impacts.

The General Plan is the document that sets the framework for the City of Fontana and provides the overall policies for development within the community. Furthermore, the General Plan encourages variety of development including warehousing pursuant to the City of Fontana's, General Plan Land Use, Zoning, and Urban Design Element, Community Mobility and Circulation, (Chapter No. 15 and Chapter No. 9), Goal No. 7, (page 15.40-15.41) and (page 9.27-9.28).

This project, as proposed, is a request for the Planning Commission to review and approve the site and architectural design for the construction of a 247,786 square foot warehouse facility. This project meets or exceeds the criteria contained in the Design Review section of the Zoning and Development Code. The project site's zoning is

designated as Light Industrial (M-1). The M-1 zoning district allows for warehousing facility as a permitted use. The building has been designed for two potential tenants with office/mezzanine areas totaling approximately 4,000 square foot each. The office/mezzanine areas are proposed to be located on the northwest and southwest corners of the building. The facility includes 34 warehouse dock doors, two ground level loading doors, 117 automobile parking spaces, and 50 trailer parking spaces. The use of glazing, columns, and ICE siding in white, gray, and an earth tone colors will add structural and visual interest to the building. Metal canopies are proposed to add a shadow lines and depth to the elevations. Additionally, variations to the building and roof lines will be architecturally pleasing and consistent with the surrounding buildings. The building will have a maximum height of 42-foot.

All other applicable development standards specified in the Zoning and Development Code will be met. The project site is not located within a specific planned area.

Finding No. 2: **The proposal meets or exceeds the criteria contained in this chapter and will result in an appropriate, safe and desirable development promoting the public health, safety, and welfare of the community.**

Findings of Fact: The proposed project as identified and referenced in Finding No. 1, above, is located within the Light Industrial (M-1) zoning district and has been determined to be aesthetically and architecturally pleasing and compatible with the neighborhood. The project site which is approximately 10.8 acres is physically suitable in size and shape to support the development of the proposed warehouse facility. The applicable building codes, zoning codes, and fire codes and standards, will make for a safe, attractive, and well-designed project. As proposed, the project is consistent with the standards of the Zoning and Development Code. The character of the surrounding neighborhood reflects some industrial uses consisting of a warehouse building, two retail uses with outdoor display, and several single-family homes that are legal non-conforming. The proposal has been designed to be compatible with the surrounding uses while also providing a development that has been designed with features (architectural relief, added landscaping, street improvements, and lighting), to enhance the character of the surrounding neighborhood.

The project includes street improvements: sidewalks, drainage, grading, and perimeter and privacy walls to provide a safe and well-designed neighborhood. The proposed warehouse facility has been reviewed by Planning, Engineering, Building and Safety, and Fontana Fire Prevention for site circulation, access, and safety. The proposed project meets or exceeds the standards of the Zoning and Development Code and will provide a safe design for normal public

access. In addition, the project will enhance the public safety by providing improvements to the access roads and the gutters will provide appropriate storm water management. The project also provides future jobs within the City of Fontana. Therefore, the project will promote the public health, safety, and welfare of the occupants and the community.

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 project identified in Finding No. 1 and Finding No. 2, above, will result in much needed and appropriate improvements, not only for the project site, but the surrounding area as well. The project includes street improvements: sidewalks, drainage, grading, and perimeter/privacy walls to provide a safe and well-designed neighborhood. The proposed project meets or exceeds the standards of the Zoning and Development Code and will provide a safe design for normal public access. These structures will be built pursuant to all applicable building, zoning, and fire codes and standards and; therefore, shall promote the public health, safety, and welfare of the surrounding community.

Finding No. 4: The site improvements are appropriate and will result in a safe, well-designed facility.

Findings of Fact: The proposed project as identified and referenced in Finding No. 1, Finding No. 2, and Finding No. 3, above, has been determined to be appropriate and will result in a safe, well-designed facility. There are four proposed driveways, one on Washington Drive and three on Redwood Avenue. Two of the driveways on Redwood Avenue are designed to accommodate passenger vehicle traffic only, while the Washington Drive and the northern most driveways are designed to accommodate commercial truck traffic and passenger vehicle traffic. The unloading/loading area for the trucks is proposed on the east side of the project site, behind the building. This area will be screened from the public right-of-way and public view with the building and a combination of a 14-foot decorative screen wall and dense landscaping. The proposed project has been reviewed by Planning, Engineering, Building and Safety, and Fontana Fire Prevention for site circulation, access, and safety. The character of the surrounding neighborhood reflects some industrial uses consisting of a warehouse building, two retail uses with outdoor display, and several single-family homes that are legal non-conforming.

Section 3. The Planning Commission has reviewed and considered the Initial Study, Mitigated Negative Declaration, and Mitigation Monitoring and Reporting Program, any oral or written comments received, and the administrative record prior to making any decision on the proposed project. The Planning Commission finds that the Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, including the Renewable Energy/Solar, LEED, Alternative Fueled/Electric Infrastructure, and Operational Conditions voluntarily proposed by the Alere Property Group, which are not necessary to ensure that Project impacts are less than significant, contain a complete and accurate reporting of all the environmental impacts associated with the Project. The Planning Commission further finds that the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program has been completed in compliance with the 2019 Local CEQA Guidelines and the State CEQA Guidelines.

Section 4. Based on the foregoing, the City of Fontana Planning Commission recommends that the City Council adopts a resolution adopting the Initial Study/Mitigated Negative Declaration and Mitigation Monitoring Reporting Program and direct staff to file the Notice of Determination and approving Tentative Parcel Map No. 20235 and Design Review No. 20-019 subject to the findings as indicated herein and the Conditions of Approval, including Conditions voluntarily proposed by the Alere Property Group have been prepared and are attached hereto as **Exhibit "A" and Exhibit "B"**.

Section 5. **Resolution Regarding Custodian of Record:** The documents and materials that constitute the record of proceedings on which this Resolution has been based are located at the Community Development Department– Planning Division, 8353 Sierra Avenue, Fontana, CA 92335. This information is provided in compliance with Public Resources Code Section No. 21081.6.

Section 6. 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 17th day of August 2021.

City of Fontana

Cathline Fort, Chairperson

PC Resolution No. 2021-__

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 17th day of August 2021, by the following vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Idilio Sanchez, Secretary

EXHIBIT "A"

CITY OF FONTANA

CONDITIONS OF APPROVAL

PROJECT: Tentative Parcel Map No. 20235
Master Case No. 20-049

August 17, 2021

LOCATION: The project site is located on the northeast corner of the intersection of Washington Drive and Redwood Avenue.

PLANNING DIVISION:

1. Tentative Parcel Map 20235 (TPM No. 20-014) is a request to combine six parcels (APNs: 0234-241-14 and -15, and 0234-251-01, -02 -03, and -08,) into one lot of approximately 10.8 adjusted gross acres as approved by the Planning Commission on August 17, 2021.
2. The applicant/developer/property owner shall defend, indemnify, protect and hold harmless the City of Fontana or its agents, officers, attorneys and employees from any and all actual or alleged claims, actions or proceedings against the City of Fontana or its agents, officers, attorneys or employees to attack, set aside, void, annul or seek monetary damages arising out of any challenge to the 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.

3. This tentative parcel map shall comply with all applicable development standards of Chapter 26 (Subdivisions), Chapter 30 (Zoning and Development Code) of the Municipal Codes of the City of Fontana and the Subdivision Map Act.
4. The applicant/developer/property owner shall underground all utilities, which for the purpose of this condition shall also include all boxes, structures and/or other equipment located in the public right-of-way, any public utility easement(s) and on any private property, to the satisfaction of the Director of Community Development. A note to this effect shall be placed on the map prior to recordation of the final map.
5. This tentative parcel map 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.
6. In the event that one or more of the Conditions of Approval for this project needs to be amended and/or deleted due to health, safety or welfare concerns, the City Manager is authorized to approve or conditionally approve such amendment/deletion, provided that City Manager shall bring such proposed amendment/deletion to the City Council at the next available meeting for City Council ratification, but in no event later than sixty (60) days following the City Manager's decision. The noticing of such City Council meeting for possible ratification shall be pursuant to Section No. 30-30 of the Municipal Code.
7. The following conditions are mitigation measures identified in the Mitigation Monitoring and Reporting Program for this project. The project must comply with all mitigations identified in the Mitigation Monitoring Reporting Program attached to the staff report dated August 17, 2021 and as follows:
 - BIO-1 Two (2) pre-construction clearance surveys should be conducted 14 to 30 days and 24 hours prior to any vegetation removal or ground disturbing activities. Documentation of surveys and findings shall be submitted to the City of Fontana for review and file. If no burrowing owls or occupied burrows are detected, construction may begin. If an occupied burrow is found within the development footprint during pre-construction clearance surveys, a burrowing owl exclusion and mitigation plan would need to be prepared and submitted to CDFW for approval prior to initiating project activities.
 - BIO-2 The project site and surrounding vegetation communities provide limited suitable foraging and nesting habitat for a variety of year-round and seasonal avian residents as well as migrating songbirds that could occur in the area. Nesting birds are protected under the MBTA and the CFGC. If project-related activities are to be initiated during the nesting season

(January 1st to August 31st), a pre-construction nesting bird clearance survey should be conducted by a qualified biologist no more than three (3) days prior to the start of any vegetation removal or ground disturbing activities. The qualified biologist shall survey all suitable nesting habitat within the project impact area, and areas within a biologically defensible buffer zone surrounding the project impact area. Documentation of surveys and findings shall be submitted to the City of Fontana for review and file. If no active nests are detected during the clearance survey, project activities may begin, and no additional avoidance and minimization measures would be required. If an active nest is found, the bird species shall be identified and a "no-disturbance" buffer should be established around the active nest. The size of the "no-disturbance" buffer should be increased or decreased based on the judgement of the qualified biologist and level of activity and sensitivity of the species. It is further recommended that the qualified biologist periodically monitor any active nests to determine if project-related activities occurring outside the "no-disturbance" buffer disturb the birds and if the buffer should be increased. Once the young have fledged and left the nest, or the nest otherwise becomes inactive under natural conditions, project activities within the "nodisturbance" buffer may occur.

- GEO-1 Prior to the installation of utilities on the project site, the project proponent shall submit a utility plan to the City of Fontana that identifies any buried pipe as a non-ferrous material, or that any ferrous pipe is protected by dielectric tape, polyethylene sleeves and/or other methods with recommendations from a corrosion engineer.
- TRA-1 Prior to the issuance of the first building permit, the project proponent shall contribute the fair share payment toward the installation of a traffic signal at San Sevaine Road and South Highland Avenue. The amount and manner of the payment shall be as determined by the City of Fontana Engineering Department.
- TCR-1 In the event that a monitor is required and/or Native American cultural resources are discovered while working on site, all work shall be suspended 100 feet around the resource(s) and a qualified archaeologist meeting Secretary of Interior standards shall be hired to assess the find. Work on the overall project may continue during this period if the following are activities are initiated:
 - A. Initiate consultation between the appropriate Native American tribal entity (as determined by a qualified archaeologist meeting Secretary of Interior standards) and the City/project applicant;
 - B. Transfer cultural resources investigations to the appropriate Native American entity (as determined by a qualified archaeologist meeting Secretary of Interior standards) as soon as possible; and
 - C. If the qualified archaeologist determines the resource(s) to be a "unique archaeological resource" consistent with Public Resources Code Section 21083.2 or a "tribal cultural resource" consistent with Public Resources Code Section 21074. A Cultural Resources

Management Plan shall be prepared by the project archaeologist and submitted to the City Planning Division and South-Central Coast Information Center at California State University Fullerton.

Prior to Issuance of Building/Construction Permits

8. All conditions of approval contained herein shall be incorporated into all applicable final construction plans and a copy of these conditions shall be placed on a sheet all the final building and grading plans prior to issuance of any building or grading permits.

Renewable Energy/Solar

9. Taking into account any limitations imposed by other rooftop equipment, building and fire code requirements, and other physical or legal limitations the Applicant shall design and construct a photovoltaic solar arrays system to provide a minimum 75% electrical offset to user demand.

LEED

10. The project will be designed and built to its highest possible Leadership in Energy and Environmental Design "LEED" standards under the U.S. Green Building Council rating system and will be certified as such by the Council.

Alternative Fueled/Electric Infrastructure

11. Applicant shall install at least one (1) DC Quick Charge/Fast Charge EVSE charging units and eight (8) Level 2 EVSE charging units onsite, prior to the issuance of an occupancy permit. Permanent signs at the Quick Charge/Fast Charge stations shall also indicate a three-hour parking limit as well as the stations' availability to the public. Applicant shall maintain all EVSE charging units in good working at all times.
12. At least ten percent of the total auto parking spaces shall be capable of supporting installation of future EVSE, with service connections provided to those spaces and labeled, as demand is warranted.
13. To the extent not in conflict with code or other legal requirements (including ADA), Applicant shall designate a minimum of 10% of the total automobile parking spaces for alternatively fueled vehicles (including electric and hybrid vehicles) in locations closest in proximity to the building's main entries.
14. Applicant shall design and construct the project with the electrical infrastructure necessary to support trucks that run at least partially on electricity by installing the conduit infrastructure needed for electric charging of trucks. At least 10% of the total truck/trailer parking spaces shall be capable of supporting installation of future electric truck charging.

Operational Conditions

15. Upon and following occupancy of the project by any tenant, no diesel-powered forklifts shall be permitted.

16. All “yard goats” and yard trucks shall either be alternatively fueled or meet the below requirements for diesel. “Alternatively fueled” means powered by natural gas, electricity, fuel cells, or other advanced technologies that do not rely on diesel fuel; or fuel-efficient hybrid vehicles able to achieve at least 50 percent fuel economy compared to a conventional diesel vehicle of the same model year and configuration. Applicant agrees that the above listed vehicles shall be upgraded to electric within one year of such vehicles being commercially available.

ENGINEERING LAND DEVELOPMENT:

17. 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 designed and constructed in accordance with master sanitary sewer plan or as approved by the City Engineer.
18. The applicant/developer/property owner 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 on-site and off-site utilities is required by Section No. 27-52 of the City Municipal Code and in accordance with plans and specifications approved by the City Engineer.
19. The applicant/developer/property owner shall 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.
20. The applicant/developer/property owner shall design and construct ultimate off-site improvements (street paving, sewer, and storm drain) along the project frontage on South Highland Avenue and Hemlock Avenue.

Prior To Issuance of Grading Permit

21. The applicant/developer/property owner shall submit and gain approval of a complete Water Quality Management Plan (WQMP) Report in accordance with the County of San Bernardino Technical Guidance Document and latest template.

Prior To Map Recordation

22. 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

23. The applicant/developer/property owner shall record this Parcel Map, right-of-way dedications, and/or easements required for the development.

PC Resolution No. 2021-__

24. The Applicant/developer/property owner shall provide a Subdivision Improvement Agreement with accompanying security. The agreement shall be executed in triplicate on City-provided forms.

Prior To Final Acceptance of Project

25. The applicant/Design Engineer shall provide the City of Fontana with as-built/record drawings for all public improvement plans.
26. The 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).
27. 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/developer/property owner 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.
28. The applicant/Engineer of Record shall submit a conforming copy of the recorded Memorandum of Agreement for the Water Quality Management Plan (WQMP) and Storm Water Best Management Practices (BMP) Transfer. The Access, Maintenance, and the WQMP Certification for BMP Completion must be submitted to the City Project Engineer.

BUILDING AND SAFETY DIVISION:

29. The project shall comply with the latest adopted edition of the following codes as applicable:
 - A. California Building Code
 - B. California Residential Code
 - C. California Electrical Code
 - D. California Mechanical Code
 - E. California Plumbing Code
 - F. California Energy Code
 - G. California Fire Code
 - H. California Green Building Standards Code

END OF CONDITIONS OF APPROVAL

EXHIBIT "B"

CITY OF FONTANA

CONDITIONS OF APPROVAL

PROJECT: Design Review Project No. 20-019
Master Case No. 20-049

August 17, 2021

LOCATION: The project site is located on the northeast corner of the intersection of Washington Drive and Redwood Avenue.

PLANNING DIVISION:

1. This approval is for Design Review No. 20-019, a request for site and architectural review to construct a 247,786 square foot warehouse facility over six (6) lots (APNs: 0234-241-14 and -15, and 0234-251-01, -02 -03, and -08,) totaling approximately 10.8 adjusted gross acres as approved by the Planning Commission on August 17, 2021 and as shown in Attachment No. 2, through Attachment No. 4.
2. The rights and privileges granted by this project shall not become effective, nor shall the Applicant commence the use for which this project is granted, until both of the following have occurred:
 - A. All of the improvements, construction, alteration and other work set forth in this project have been completed and have been accepted by the City, as evidenced by the City's issuance of a Certificate of Occupancy or other document evidencing the City's final inspection and acceptance of the work; and
 - B. All other Conditions of Approval imposed by this project have been fulfilled.
3. 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 Manger's decision. The noticing of such City Council meeting for possible ratification shall be pursuant to Section No. 30-30 and Section No. 30-31 of the Municipal Code.

4. The applicant/developer/property owner shall defend, indemnify, protect and hold harmless the City of Fontana or its agents, officers, attorneys and employees from any and all actual or alleged claims, actions or proceedings against the City of Fontana or its agents, officers, attorneys or employees to attack, set aside, void, annul or seek monetary damages arising out of any challenge to the 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 California Environmental Quality Act (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 legal counsel. The applicant shall be responsible and reimburse 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.

5. This 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.
6. All Conditions of Approval and Mitigation Monitoring and Reporting Program contained herein shall be incorporated into all applicable final construction plans and a copy of these conditions shall be placed on a sheet in the final building or grading plans prior to issuance of any building or grading permits.
7. Upon discovery of any cultural tribal cultural or archaeological resources, cease construction activities in the immediate vicinity of the find until the find can be assessed. All cultural tribal 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.

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.

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.

8. 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.
9. 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.
10. This project will comply with all applicable provisions, regulations and development standards of the City of Fontana Municipal Code.
11. The establishment or installation of any new public pay telephones on the exterior and or interior of the buildings is only permitted by approval of a Minor Use Permit application by the Director of Community Development.
12. Sidewalks shall be provided for all new developments in accordance with the city's circulation element of the General Plan.
13. The following conditions are mitigation measures identified in the Mitigation Monitoring and Reporting Program for this project. The project must comply with all mitigations identified in the Mitigation Monitoring Reporting Program attached to the staff report dated August 17, 2021 and as reference herein as Attachment No. 7.
 - AQ-1: Prior to issuance of grading permit, the City of Fontana shall verify that a note is included on the grading plans that requires all construction equipment used on the project site during the site preparation construction phase that exceeds 150 horsepower to be the equivalent of California Air Resource Board (CARB) Tier[®] 3 Certification or better. The Project contractor(s) shall be required to comply with this note and allow inspection

of the construction site by the City of Fontana staff or its designee to confirm compliance.

BR-1: Vegetation clearing and ground disturbance shall be prohibited during the migratory bird nesting season (January 31 through September 1), unless a migratory bird nesting survey is completed in accordance with the following:

- a) A nesting bird survey shall be conducted on the project site and within suitable habitat located within a 500-foot radius of the project site by a qualified biologist within 30 days prior to initiating vegetation clearing or ground disturbance.
- b) If the survey identifies the presence of active nests, then the nests shall not be disturbed unless the qualified biologist verifies through non-invasive methods that either (i) the adult birds have not begun egg-laying and incubation, or (ii) the juveniles from the occupied nests are capable of independent survival.
- c) If the biologist is not able to verify any of the conditions from sub-item "b" above, then no disturbance shall occur within a buffer zone specified by the qualified biologist for each nest or nesting site. The buffer zone shall be species-appropriate (on less than 100-foot radius around the nest for non-raptors and no more than 500-foot radius around the nest for raptors) and shall be sufficient to protect the nest from direct and indirect impact from construction activities. The size and location of buffer zones, if required, shall be based on consultation with the California Department of Fish and Wildlife and the U.S. Fish and Wildlife Services and shall be subject to review and approval by the City of Fontana. The nests and buffer zones shall be field checked weekly by a qualified biological monitor. The approved buffer zone shall be marked in the field with construction fencing, within which no vegetation clearing or ground disturbance shall commence until the qualified biologist with the City concurrence verify that the nests are no longer occupied and/or juvenile birds can survive independently from the nests.

CR-1a: Upon discovery of any cultural, tribal cultural, or archaeological resources, cease construction activities in the immediate vicinity of the find until the find can be assessed. All tribal cultural or 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.

CR-1b: 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 historical 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 materials. 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.

- CR-1c: Archaeological and Native American monitoring and excavation during construction project 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.
- GEO-1: Prior to the issuance of a grading permit, the project applicant/developer/property owner shall provide evidence to the City of Fontana that a qualified paleontologist has been retained to conduct monitoring of excavation activities and has the authority to halt and redirect earthmoving activities in the event that suspected paleontological resources are unearthed.
- GEO-2: The paleontological monitor shall conduct periodic monitoring (one visit per week) during grading and excavation at depths between 5-foot and 10-foot below the existing ground surface and full-time monitoring during grading and excavation operations at depths more than 10-foot below the existing ground surface. The paleontological monitor shall be equipped to salvage fossils if they are unearthed to avoid construction delays and to remove samples of sediments that are likely to contain the remains of small fossil invertebrates and vertebrates. The paleontological monitor shall be empowered to temporarily halt or divert equipment to allow of removal of abundant and large specimens in a timely manner. Monitoring may be reduced if the potentially fossiliferous units are not present in the subsurface, or if present, are determined upon exposure and examination by qualified paleontological personnel to have a low potential to contain or yield fossil resources.
- GEO-3: Recovered specimens shall be properly prepared to a point of identification and permanent preservation, including screen washing sediments to recover small invertebrates and vertebrates, if necessary. Identify and curation of specimens into a professional, accredited public museum repository with a commitment to archival conservation and permanent retrievable storage.
- GEO-4: A final monitoring and mitigation report of findings and significance shall be prepared, including lists of all fossils recovered, if any, and necessary maps and graphics to accurately record the original location of the specimens.

PC Resolution No. 2021-__

The report shall be submitted to the City of Fontana prior to issuance of occupancy permit.

14. The applicant/developer/property owner shall post a publicly visible sign on the project site with the telephone number and 24-hour point of contact for dust, noise and construction complaints. The 24-hour point of contact shall be available 24 hours a day, 7 days a week and have authority to commit additional assets to control dust, or respond to construction complaints after hours, on weekends and on holidays.
15. 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.
 3. Store and maintain equipment, building materials, and waste materials as far as practical from as many sensitive receivers as practical.
16. All signs shall be reviewed under a separate Design Review Sign application.

Prior To Issuance of Certificate of Occupancy

17. The current Development fees must be paid prior to issuance of building/construction permits.

Renewable Energy/Solar

18. Taking into account any limitations imposed by other rooftop equipment, building and fire code requirements, and other physical or legal limitations the Applicant shall design and construct a photovoltaic solar arrays system to provide a minimum 75% electrical offset to user demand.

LEED

19. The project will be designed and built to its highest possible Leadership in Energy and Environmental Design "LEED" standards under the U.S. Green Building Council rating system and will be certified as such by the Council.

Alternative Fueled/Electric Infrastructure

20. Applicant shall install at least one (1) DC Quick Charge/Fast Charge EVSE charging units and eight (8) Level 2 EVSE charging units onsite, prior to the issuance of an occupancy permit. Permanent signs at the Quick Charge/Fast Charge stations shall also indicate a three-hour parking limit as well as the stations' availability to the public. Applicant shall maintain all EVSE charging units in good working at all times.
21. At least ten percent of the total auto parking spaces shall be capable of supporting installation of future EVSE, with service connections provided to those spaces and labeled, as demand is warranted.
22. To the extent not in conflict with code or other legal requirements (including ADA), Applicant shall designate a minimum of 10% of the total automobile parking spaces for alternatively fueled vehicles (including electric and hybrid vehicles) in locations closest in proximity to the building's main entries.
23. Applicant shall design and construct the project with the electrical infrastructure necessary to support trucks that run at least partially on electricity by installing the conduit infrastructure needed for electric charging of trucks. At least 10% of the total truck/trailer parking spaces shall be capable of supporting installation of future electric truck charging.

Operational Conditions

24. Upon and following occupancy of the project by any tenant, no diesel-powered forklifts shall be permitted.
25. All "yard goats" and yard trucks shall either be alternatively fueled or meet the below requirements for diesel. "Alternatively fueled" means powered by natural gas, electricity, fuel cells, or other advanced technologies that do not rely on diesel fuel; or fuel-efficient hybrid vehicles able to achieve at least 50 percent fuel economy compared to a conventional diesel vehicle of the same model year and configuration. Applicant agrees that the above listed vehicles shall be upgraded to electric within one year of such vehicles being commercially available.

ENGINEERING LAND DEVELOPMENT:

26. The project shall be served by the City's sanitary sewer system and 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.
27. The applicant/developer/property owner 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 on-site and off-site utilities is required by Section No. 27-52 of the City

PC Resolution No. 2021-__

Municipal Code and in accordance with plans and specifications approved by the City Engineer.

28. 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).

Prior To Issuance of Grading Permit

29. 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.
30. The applicant/developer/property owner shall provide a Subdivision Improvement Agreement or Land Improvement Agreement, with accompanying security. The agreement shall be executed in triplicate on City-provided forms.
31. The applicant/developer/property owner shall submit and gain approval of a complete WQMP Report in accordance with the County of San Bernardino Technical Guidance Document and latest template.

PRIOR TO FINAL ACCEPTANCE

32. The Applicant/Design Engineer to provide the City of Fontana with As-Built/Record Drawings for all public improvement plans.
33. The Applicant/Design Engineer to provide the City of Fontana certificates or letters of compliance for Water Quality Management Plan, Landscape and Water Efficiency and all storm water related facilities.
34. Survey monuments shall be placed as required by plans and corner records must be recorded with the County.
35. 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.
36. The applicant/developer/property owner shall submit a conforming copy of the recorded Memorandum of Agreement and the Water Quality Management Plan Certification for Best Management Practices Completion, stamped by the Civil Engineer of record.

BUILDING & SAFETY:

37. Shall comply with the latest adopted edition of the following codes:

PC Resolution No. 2021-__

- 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
38. Automatic fire sprinkler 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 Division of Fire Protection, Planning and Engineering of the San Bernardino County Fire Department.
 39. The requirements of the South Coast Air Quality Management District (909-396-2000) shall be satisfied prior to the issuance of any permit if hazardous materials are stored and/or used.
 40. Any temporary building, trailer, commercial coach, etc. installed and/or used in connection with a construction project shall comply with FMC Chapter 5 Article XIV.
 41. The requirements of the Fontana Fire Protection District and the Air Quality Management District shall be satisfied prior to the issuance of any permit if hazardous materials are stored and/or used.
 42. 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 property line. In any case, the outer/exterior face of the wall shall be within two (2) inches of the property 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.
 43. 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.
 44. The Parcel Map shall record prior to the issuance of any building permits.
 45. Grading Requirements:
 - A. Grading plans shall be submitted to and approved by the Building and Safety Division. The grading plans shall indicate all site improvements and shall indicate complete drainage paths of all drainage water run-off.
 - 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. (i.e.; 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 the Building and Safety Division.

The on-site drainage system shall, as a minimum, be designed to handle the run-off generated by a ten-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 property lines and/or permit boundary lines. These sections shall clearly indicate:
 - i. 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
 - ii. The ground cover/finished surface material being proposed (i.e.: type of pavement, plant material, etc.); and
 - iii. All proposed drainage structures; and
 - iv. Any proposed and/or required walls or fencing.
46. All signs shall be Underwriters Laboratories, or equal, approved.
47. All exterior lighting shall be orientated, 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

48. Permits are required prior to the removal and/or demolition of structures.
49. The following items (as applicable) shall be completed and/or submitted to Building and Safety 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
50. 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 the Building and Safety Division. This report shall also explain the proposed facility's intended methods of operation and

PC Resolution No. 2021-__

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.

51. Please be aware that a Construction Waste Management Plan (CWMP) will be required at time of plan check submittal. For more information regarding waste diversion, please contact Burrtec Waste at (909) 889-0911.
52. For more information related to Building & Safety, please visit our web page at <https://www.fontana.org/136/Building-Safety>.
53. Trash enclosure required to be designed like a regular building in regard to Building Code setback requirements, fire-resistive walls, protected openings, etc.

SAN BERNARDINO COUNTY FIRE DEPARTMENT:

54. Jurisdiction. The above referenced project is under the jurisdiction of the San Bernardino County Fire Department serving the Fontana Fire Protection District (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.
55. 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 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
56. Secondary Access. The development shall have a minimum of 2 points of vehicular access during each phase of construction for fire and emergency access purposes and for evacuation routes.
57. Turnaround. An approved turnaround shall be provided at the end of each dead end roadway one hundred and fifty (150) feet or more in length. Cul-de-sac length shall not exceed six hundred (600) feet; and 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.
58. Hydrant Marking. Blue reflective pavement markers indicating fire hydrant locations shall be installed as specified by the Fire Department. SBCFD Standard 508.5.2.
59. 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.

60. 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.
61. 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.
62. 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
63. 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. All fire hydrants shall be spaced no more than three hundred (300) feet apart as measured along vehicular travel-ways and within 300 feet of all portions of the building.

The Fire Flow for this project shall be: 4,000 GPM for a 4-hour duration at 20 psi residual operating pressure. Fire-flow is based on a maximum 247,740 square feet 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.
64. 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.
65. 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
66. 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.
67. 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

PC Resolution No. 2021-__

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.

POLICE DEPARTMENT:

68. 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. Provide a photometric layout under separate exhibit to ensure the minimum light standard is met.
69. All trash enclosures located outside the secured truck courts shall be equipped with a locking roll-up door and locking man-door. The roll-up door and man-door shall remain locked at all times.
70. Incorporate an anti-graffiti coating onto the exterior of all proposed block walls to discourage graffiti.
71. Incorporate hostile landscape into the interior, perimeter landscape setback areas to discourage subjects from accessing the site.
72. Adhere to the Standard Building Security Specifications of the Fontana Police Department.

END OF CONDITIONS OF APPROVAL



FONTANA
CALIFORNIA

NOTICE OF DETERMINATION

TO: Clerk of the Board of Supervisors
County of San Bernardino
385 North Arrowhead Avenue
San Bernardino, CA 92415

FROM: City of Fontana
Planning Division
8353 Sierra Avenue
Fontana, CA 92335

SUBJECT: Filing of Notice of Determination in Compliance with Section No. 21108
or Section No. 21152 of the Public Resources

State Clearinghouse: N/A

Project Title: Tentative Parcel Map No. 20235 (TPM No. 20-014), Design Review No. 20-019, and Master Case No. 20-014

Project Location: The project site is located on the northeast corner of the intersection of Washington Drive and Redwood Avenue

Project Description: The applicant Alere Property Group is proposing to construct a 247,786 square foot warehouse building over six lots.

Tentative Parcel Map No. 20235 is a request to combine six parcels (APNs: 0234-241-14, -15, and 0234-251-01, -02 -03, -08,) into one lot of approximately 10.8 adjusted gross acres.

Design Review No. 20-019 is a request for site and architectural review to construct a new warehouse facility of approximately 247,786 square foot including a maximum of two potential office/mezzanine space of approximately 4,000 square foot total.

In addition, Mitigated Negative Declaration, Mitigation Monitoring and Reporting Program, and Notice of Determination have been prepared.

This is to certify that the City of Fontana, approved the above-described project on August 17, 2021, and made the following determinations:

1. The project will not have a significant effect on the environment.
2. Mitigation measures were made a condition of the approval of the project.
3. A mitigation reporting or monitoring plan was adopted for this project.
5. A Statement of Overriding Considerations was not adopted for this project.
6. Findings were not made pursuant to the provisions of CEQA.

This is to certify that the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program with comments/responses and record of project approval is available to the General Public: City of Fontana, Planning Division 8353 Sierra Ave, Fontana, CA 92335

Paul Gonzales
Senior Planner

Date Received for Filing



NOTICE OF INTENT TO ADOPT AN INITIAL STUDY/ MITIGATED NEGATIVE DECLARATION AND NOTICE OF PUBLIC HEARING

Si desea información en Español referente a esta notificación o proyecto, favor de comunicarse al (909) 350-6728.

In compliance with Section No. 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Section No. 12132) and the federal rules and regulations adopted in implementation thereof, the Agenda will be made available in appropriate alternative formats to persons with a disability. Should you need special assistance to participate in this meeting, please contact the 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. 20-049, DESIGN REVIEW NO. 20-019, and TENTATIVE PARCEL MAP NO. 20235 (TPM No. 20-014)

A request for site and architectural review to construct a 247,786 square foot warehouse facility over six parcels (APNs: 0234-241-14 and -15, and 0234-251-01, -02, -03, and -08) totaling approximately 10.8 adjusted gross acres.

Design Review No. 20-019 is a request for a new warehouse facility totaling approximately 247,786 square foot including a maximum of two potential office/mezzanine spaces of approximately 4,000 square foot total, 34 warehouse dock doors, two ground level loading doors, 117 automobile parking spaces, and 50 trailer parking spaces. The building will have a maximum height of 42-foot.

Tentative Parcel Map No. 20235 is a request to combine six parcels (APNs: 0234-241-14 and -15, and 0234-251-01, -02, -03, and -08) into one lot of approximately 10.8 adjusted gross acres.

**Environmental
Determination:**

Pursuant to Section No. 15070 of the California Environmental Act (CEQA) and pursuant to Section No. 6.04 of the 2019 Local Guidelines for Implementing CEQA an Initial Study (IS), Mitigated Negative Declaration (MND), and Mitigation Monitoring and Reporting Program has been prepared for this project. Based on the information in the IS, no significant impact is anticipated as a result of project implementation, with mitigation incorporated, and a Mitigated Negative Declaration has been prepared for the Planning Commission's consideration.

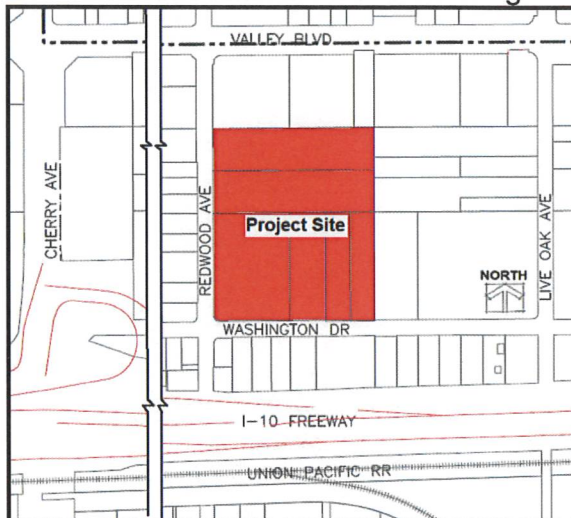
The Initial Study and Mitigated Negative Declaration is available for public review from July 26, 2021 until August 17, 2021, at the



Planning Division counter, Fontana Lewis Library, and on the City of Fontana's website, <https://www.fontana.org/2137/Environmental-Documents>

Location of Property:

The project site is located on the northeast corner of the intersection of Washington Drive and Redwood Avenue with a frontage of approximately 605-foot on the north side of Washington Drive and a second frontage of approximately 735-foot on the east Redwood Avenue.



Date of Hearing: August 17, 2021

Place of Hearing: City Hall Council Chambers
8353 Sierra Avenue
Fontana, CA 92335

Time of Hearing: 6:00 p.m.

Should you have any questions concerning this project, please contact Jon S. Dille, Associate Planner, at (909) 350-6681.

ANY INTERESTED PARTY MAY APPEAR AND PRESENT ANY INFORMATION WHICH MAY BE OF ASSISTANCE TO THE PLANNING COMMISSION. A COPY OF THE APPLICATION AND ENVIRONMENTAL DOCUMENTATION IS AVAILABLE FOR INSPECTION IN THE PLANNING DIVISION, CITY HALL.

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.

Publish: July 26, 2021
S.B. Sun Newspaper

PC Meeting Minutes – August 17, 2021

PH-B Master Case No. 20-049, Tentative Parcel Map No. 20235 (TPM. No. 20-014), and Design Review No. 20-019 - To review and approve a Tentative Parcel Map as a request to combine six parcels (APNs: 0234-241-14 and -15, and 0234-251-01, -02 -03, and -08,) into one lot of approximately 10.8 adjusted gross acres; and, a Design Review as a request for site and architectural review a new warehouse facility of approximately 247,786 square foot including a maximum of two potential office/mezzanine space of approximately 4,000 square foot each, 34 warehouse dock doors, two ground level loading doors, 117 automobile parking spaces, and 50 trailer parking spaces. The building will have a maximum height of 42-foot.

Chairperson Fort opened Public Hearing Item B.

Jon S. Dille, Associate Planner provided the staff report and further commented that on the dais was a memo requesting that two conditions of approval be removed. In addition, he mentioned that staff received three letters of opposition for this project.

Applicant, Clark Neuhoff, discussed several facts about the project such as location, truck routes, proximity to schools, and employment. He further discussed the company's commitment to green and renewal investment for this project.

The commission discussed improvements to street and paving, as it relates to the two conditions of approval that are requested to being removed. The applicant explained that the two conditions in question were added by mistake, as these were added for streets that were five miles away from this project site. The applicant further discussed improvements that are associated with the project. There was further discussion regarding the EV (Electric Vehicle) charging stations. Additionally, the commission thanked the applicant for going above and beyond with the standards for this project.

The following individuals spoke in opposition of this item:

Elizabeth Sena
Ana Gonzalez
Ben

PC Meeting Minutes – August 17, 2021

The following individuals spoke in favor of this item:

Vera Salcedo
Jacob Kleespies

The commission further asked for clarification on the indirect source rule. Tracy Zinn from T&B Planning further explained the rule to the commission.

The public hearing was closed.

RECOMMENDATION:

Based on the information in the staff report and subject to the attached Findings and Conditions of Approval, staff recommends that the Planning Commission adopt Resolution No. PC 2021- 033: and,

1. Adopt the Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program and direct staff to file the Notice of Determination; and
2. Approve Tentative Parcel Map No. 20235 and Design Review No. 20-019.

ACTION:

Motion was made by Commissioner Thrasher, seconded by Commissioner Gordon, and passed unanimously by a vote of 4-0 to approve this Public Hearing. The motion carried by the following vote:

Planning Commission	Minutes	August 17, 2021
---------------------	---------	-----------------

Aye: Chairperson Fort, Vice Chair Sangha, Commissioner Gordon, and Commissioner Thrasher.



Irvine, CA | San Diego, CA | Murrysville, PA

JN 955-010

3200 El Camino Real, Suite 100 | Irvine, CA 92602 | p 714.505.6360

Sent By E-mail

September 30, 2021

Jon Dille, Associate Planner
City of Fontana
Community Development Department, Planning Division
8353 Sierra Avenue
Fontana, CA 92335

RE: RESPONSE TO APPEAL OF MASTER CASE NO. 20-049

Dear Mr. Dille:

T&B Planning, Inc. (T&B Planning) is the environmental consulting firm that prepared the Initial Study/Mitigated Negative Declaration (IS/MND) for the Redwood Industrial Center project (Master Case No. 20-049, hereinafter "Project"). At the request of the City of Fontana Community Development Department, Planning Division, T&B Planning has prepared this letter in response to the September 1, 2021, letter sent to the City by Ms. Ana Gonzalez and Ms. Liz Sena (hereinafter "Appellants") that appealed the Fontana Planning Commission's decision to approve the Project.

The comments offered by the Appellants are provided below in *italicized* text; each comment is preceded by a response.

We at the Center for Community Action and Environmental Justice along with the South Fontana Concerned Citizens Coalition strongly believe that this approval is improper because an environmental impact report was not completed for this Project, and the CEQA exemption the City has used does not apply to this Project.

Response: The Appellants are mistaken that the City has prepared a CEQA exemption for the Project. An IS/MND was prepared for the Project in full compliance with the California Environmental Quality Act (CEQA). Pursuant to CEQA Guidelines Section 15371, an IS/MND can be prepared – and an Environmental Impact Report (EIR) is not required – if: 1) revisions in the project plans or proposals made by, or agreed to by the applicant that would avoid the effects or mitigate the effects to a point where clearly no significant effects would occur; and 2) there is no substantial evidence, in light of the whole record before the Lead Agency, that the project may have a significant effect on the environment. The analysis presented in the Project's IS/MND is based on substantial evidence, including 15 technical reports. The IS/MND concluded that, with application of the nine (9) mitigation measures listed in the IS/MND, the Project would not result in significant effects on the environment.

The Health Effects Institute has conducted many studies that link pollution to many health and social stressors, a most recent study states, "There is ample epidemiological and toxicological evidence that short- and long-term exposures to ambient air pollutants are associated with CVD

www.tbplanning.com



PLANNING • DESIGN • ENVIRONMENTAL • GRAPHICS



events such as heart attacks and stroke. At the same time, evidence also indicates that the likelihood of CVD events is associated with social and economic disadvantage factors.” (HEI, pg.1)

Response: The Appellants cite a report titled “Social Susceptibility to Multiple Air Pollutants in Cardiovascular Disease” published by the Health Effects Institute in July 2021. The thesis of the report is that short- and long-term exposure to ambient air pollutants are associated with cardiovascular disease events such as heart attack and stroke. Potential health effects from exposure to air pollution resulting from redevelopment of the Project site as proposed by the Project was disclosed in the IS/MND (at Page 4-11), the Project’s *Air Quality Impact Analysis* (at Pages 10 through 16) and the Project’s *Mobile Source Health Risk Assessment* (at Pages 17 and 18). The *Air Quality Impact Analysis* and *Mobile Source Health Risk Assessment* were prepared by Urban Crossroads, Inc., a professional consulting firm and recognized expert in air quality pollutant emissions analysis. The IS/MND and *Air Quality Impact Analysis* demonstrate that the Project would not exceed the regional or localized significance thresholds established by the South Coast Air Quality Management District (SCAQMD) for any criteria air pollutant after mitigation. By not exceeding the regional or significance thresholds, the Project would not hinder the SCAQMD’s ability to meet the National Ambient Air Quality Standards (NAAQS) or the California Ambient Air Quality Standards (CAAQS), which were developed to protect human health. Also, the IS/MND and *Mobile Source Health Risk Assessment* demonstrate that the Project would not expose sensitive receptors near the Project site and the Project’s truck travel route to carcinogenic and non-carcinogenic (chronic) health hazard risks that exceed the SCAQMD’s significance thresholds.

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 CO₂”.

Response: The Appellants cite an article titled “Mouse Lung Structure and Function after Long-Term Exposure to an Atmospheric Carbon Dioxide Level Predicted by Climate Change Modeling” published by Environmental Health Perspectives on March 1, 2021. The thesis of the report is that prolonged exposure to excessive levels of atmospheric carbon dioxide (890 parts per million [ppm]) could affect lung tissue development and lung function. First, it should be noted that the study that was the topic of the article exposed mice to carbon dioxide concentrations that are more than double the levels found in the atmosphere today (412.5 ppm¹) and its relevance to the existing environmental condition, which is the baseline used for analysis in the IS/MND, is dubious. Second, the IS/MND and the Project’s *Greenhouse Gas Analysis* demonstrate that the Project is calculated to generate 2,870.3 metric tons of carbon dioxide equivalent per year (MTCO₂e/yr), which is below the level (3,000 MTCO₂e/yr) that the SCAQMD determined is significant for all development projects and far below the level (10,000 MTCO₂e/yr) at which the SCAQMD determined an industrial project could substantially contribute to global climate change (associated with elevated atmospheric carbon dioxide levels). Last, the Project involves the redevelopment of a property that currently contains a construction and mining company (10131 Redwood Avenue), a trucking business (10191 Redwood Avenue), a steel decking materials supply business (10221 Redwood Avenue), three non-conforming residential structures (14770 Washington Drive), and a trucking business (14784 and 14796 Washington Drive). The air emissions, GHG emissions, and other environmental effects associated with these

¹ <https://www.climate.gov/news-features/understanding-climate/climate-change-atmospheric-carbon-dioxide>



existing uses would be eliminated by redevelopment of the Project site as proposed. In actuality, therefore, the air emissions resulting from the Project will be lower than disclosed in the IS/MND due to the elimination of these existing uses and their associated environmental effects.

In the last appeal, the planning commission/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.

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 is filing this appeal because it is apparent that this basic threshold has not been met for this project.

Response: The Project's IS/MND provides a thorough analysis of 20 environmental issue areas backed by substantial evidence. Under all issue areas, the IS/MND concluded that, with the application of mitigation measures listed in the IS/MND, construction and operation of the Project would neither result in a substantial adverse effect on the environment nor result in a substantial risk to human health.

Per existing data from CalEnviroScreen 4.0 (Figure 1), the location where the Project would be located is already overburdened, including from air quality pollutants linked to an increase in truck traffic such as that which comes with warehouses.

Response: The IS/MND addresses the Project's potential air quality effects – from construction and operation – using computer models and analysis methodologies recommended by the South Coast Air Quality Management District (SCAQMD), California Air Resources Board (CARB), and United States Environmental Protection Agency (EPA). The analysis presented in the IS/MND demonstrates that the Project would not generate air pollution that results in a substantial adverse effect on the environment or a substantial risk to human health.

Further, the SCAQMD recently adopted a Warehouse Indirect Source Rule (ISR), Rule 2305, in May 2021. The ISR applies to warehouse operators and owners of warehouses greater than or equal to 100,000 square feet of indoor floor space within a single building that may be used for warehousing activities. The proposed Project would be subject to compliance with the ISR. In general, the Rule establishes the Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program, which is a points system that is based upon the actual number of trucks that come to and leave the warehouse. Each year the operator of the Project will be obligated to determine how many points the warehouse is required to achieve using a formula set out in the Rule. If the required number of points are not achieved, the Project's operator would be required to pay a fee to the SCAQMD, which would use collected funds to improve air quality. Although compliance with Rule 2305 is not mitigation and the SCAQMD has not published a nexus study showing how the use of collected funds has nexus to the warehouse's air quality impacts, the ISR program is intended to reduce air quality effects associated with the warehouse industry, including the proposed Project, throughout the South Coast Air Basin.

It is impossible at present 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 as that information has not been provided in the IS/MND which was

www.tbplanning.com





RESPONSE TO APPEAL OF MASTER CASE NO. 20-049

September 30, 2021

Page 4 of 5

*prepared for this Project. Instead, the study documents show the exact opposite. Per the GHG Analysis prepared for the Project in January 2021, its construction and operation is projected to result in an increase of 2,870 tons of CO₂e from all sources (Table 3-6: Project GHG Emissions), yet no mechanism to reduce those emissions to meet the requirements of the City's own policy is identified in any of the documents. That is also directly 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*.*

Response: Contrary to the Appellant's assertion, the Project does not conflict with MM-GHG-1 from the General Plan Update EIR. The emissions reduction target of "28.5 percent below business as usual [BAU]" is taken from the California Air Resources Board (CARB) 2008 Scoping Plan. The 2008 Scoping Plan projected that BAU emissions must be reduced by 28.5 percent to meet the GHG emissions mandate of AB 32, which required statewide GHG emissions to be reduced to year 1990 levels by the year 2020. The State implemented a variety of measures to achieve GHG reductions – such as more stringent building and energy codes, requirements for renewable energy generation, and more stringent standards for fuels and vehicle tailpipe emissions – in order to satisfy AB 32. Today, GHG emissions reductions in the state are governed by SB 32, which requires emissions to be reduced by 40% below 1990 levels by the year 2030. The emissions mandate of SB 32 is more stringent than the 28.5 percent below BAU requirement outlined in the 2008 Scoping Plan and MM-GHG-1 from the General Plan Update EIR. As disclosed in the IS/MND (at Page 4-32) and the Project's *Greenhouse Gas Analysis* (at Pages 53-58), the State is on pace to achieve the GHG emissions target of SB 32 based on regulations that are already in effect and the Project would not directly or indirectly conflict with State's ability to meet its 2030 GHG emissions reduction target.

Additionally, the data used for computation of the emissions appears questionable, meaning that the GHG Analysis potentially undercounts total emissions and that using the correct numbers would put it above the SCAQMD's thresholds of significance as well. Per Table 3-4: Passenger Car Fleet Mix, it is expected that "LDA[s]" would make up more than 60% of the vehicle fleet. However, per data from the CA New Car Dealer Association going back several years, the portion of new car sales in the state which are in that category has been steadily falling, arriving to a situation where as of the first quarter of 2021, "Car[s]" made up less than a third of all new passenger vehicle sales while "Light Truck[s]" have surpassed the two-thirds mark. While it certainly is true that the mix of current sales is not necessarily the mix of the entire fleet, this shift has been ongoing for several years now so it does seem unreasonable for the Analyses completed for the Project to continue to assume that LDAs account for more than 60% of the vehicle fleet and even more egregious, that such a mix will continue into the future.

Response: The Appellant questions the composition of the passenger vehicle fleet mix used in the Project's *Air Quality Impact Analysis*, citing data published by the California New Car Dealer Association. The *Air Quality Impact Analysis* uses the default passenger vehicle fleet mix from CalEEMod. CalEEMod is a Statewide land use emission computer model developed for the California Air Pollution Officers Association (CAPCOA) in collaboration with the California Air Districts, including the SCAQMD, that provides a uniform platform to quantify potential criteria pollutant emissions associated with construction and operation of land development projects. The underlying assumptions of CalEEMod, including the passenger vehicle mix, were approved by SCAQMD and are appropriate to use for air quality analyses in the South Coast Air Basin.

www.tbplanning.com



PLANNING • DESIGN • ENVIRONMENTAL • GRAPHICS



RESPONSE TO APPEAL OF MASTER CASE NO. 20-049

September 30, 2021

Page 5 of 5

There is also an interest to cite the updated scientific research that we set forth above, along with the science in our previous appeal.

Response: The Appellant provides a link to an opinion article titled “What You Know about Trump’s Assault on Science Was Just the Tip of the Iceberg” published in *Scientific American* on July 13, 2021. The article makes various assertions regarding the political interference of President Trump in scientific matters. This article does not contain any information that is relevant to the Project or the IS/MND and no further response is necessary.

In addition, we demand that the true impacts of the cumulative effects of all South Fontana warehouse developments over the past ten years, be studied and released to the community, so that damages to public health and safety 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 and all past and pending projects can be made public during the school year, so parents and all stakeholders can be informed.

Response: The City of Fontana retained the services of Ramboll, a globally-recognized engineering and consultancy company to conduct analysis and present objective data on air quality trends and the status of air quality and its associated health risks in the City. City staff and representatives from Ramboll presented the findings at a joint Planning Commission and City Council Workshop held on September 14, 2021. Ramboll consultants included Dr. Laksmi Jayaram, Senior Management Consultant, Joseph Hower, PE, DEE, Principal and Vice-President, Mechanical Engineering and Dr. Julia Lester, PhD Chemical Engineer. Ramboll reported that ozone exposure, nitrogen dioxide concentration, and particulate matter in Fontana are below the federal standards and that air toxic cancer risk has decreased by 76% from 1998 to 2018 and is expected to decrease by an additional 20% by 2023. A summary of these findings is provided on the City’s website (<https://www.fontana.org/3427/Air-Quality-Analysis>), as well as video recording of the September 14, 2021 Workshop. The materials on that website including the video recording of the September 14, 2021 Workshop are herein incorporated by reference.

Sincerely,
T&B PLANNING, INC.

David Ornelas
Senior Project Manager

www.tbplanning.com



PLANNING • DESIGN • ENVIRONMENTAL • GRAPHICS

Additional Conditions of Approval

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.

Additional Conditions of Approval

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.

Additional Conditions of Approval

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.

Additional Conditions of Approval

- 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.



State of California - Department of Fish and Wildlife
2021 ENVIRONMENTAL FILING FEE CASH RECEIPT
 DFW 753.5a (REV. 01/01/21) Previously DFG 753.5a

Print

StartOver

Save

RECEIPT NUMBER:

36 — 08192021 — 504

STATE CLEARINGHOUSE NUMBER (If applicable)

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.

LEAD AGENCY

City of Fontana

LEAD AGENCY EMAIL

DATE

08192021

COUNTY/STATE AGENCY OF FILING

San Bernardino

DOCUMENT NUMBER

PROJECT TITLE

Design Review No. 20-019; Tentative Parcel Map No. 20235 (TPM No. 20-014), and Master Case No. 20-014

PROJECT APPLICANT NAME

City of Fontana

PROJECT APPLICANT EMAIL

PHONE NUMBER

(909) 350-6718

PROJECT APPLICANT ADDRESS

8353 Sierra Avenue

CITY

Fontana

STATE

CA

ZIP CODE

92335

PROJECT APPLICANT (Check appropriate box)



Local Public Agency



School District



Other Special District



State Agency



Private Entity

CHECK APPLICABLE FEES:



Environmental Impact Report (EIR)

\$3,445.25

\$

0.00



Mitigated/Negative Declaration (MND)(ND)

\$2,480.25

\$

2,480.25



Certified Regulatory Program (CRP) document - payment due directly to CDFW

\$1,171.25

\$

0.00



Exempt from fee



Notice of Exemption (attach)



CDFW No Effect Determination (attach)



Fee previously paid (attach previously issued cash receipt copy)



Water Right Application or Petition Fee (State Water Resources Control Board only)

\$850.00

\$

0.00



County documentary handling fee

\$

50.00



Other

\$

PAYMENT METHOD:

#127106



Cash



Credit



Check



Other

TOTAL RECEIVED

\$

2,530.25

SIGNATURE

X Donna A. Young

AGENCY OF FILING PRINTED NAME AND TITLE

Donna A. Young, Deputy Clerk

CLERK OF THE
BOARD OF SUPERVISORS

2021 AUG 19 PM 1:37

COUNTY OF SAN BERNARDINO
CALIFORNIA



FONTANA
CALIFORNIA

DATE FILED & POSTED

Posted On: 08/19/2021

Removed On: 10/01/2021

Receipt No: 36-08192021-504

NOTICE OF DETERMINATION

TO: Clerk of the Board of Supervisors
County of San Bernardino
385 North Arrowhead Avenue
San Bernardino, CA 92415

FROM: City of Fontana
Planning Division
8353 Sierra Avenue
Fontana, CA 92335

SUBJECT: Filing of Notice of Determination in Compliance with Section No. 21108
or Section No. 21152 of the Public Resources

State Clearinghouse: N/A

Project Title: Design Review No. 20-019, Tentative Parcel Map No. 20235 (TPM No. 20-014),
and Master Case No. 20-014

Project Location: The project site is located on the northeast corner of the intersection of
Washington Drive and Redwood Avenue

Project Description: The applicant Alere Property Group is proposing to construct a 247,740
square foot warehouse building over six lots.

Design Review No. 20-019 is a request for site and architectural review to construct a new
warehouse facility of approximately 247,740 square foot including a maximum of two potential
office/mezzanine space of approximately 4,000 square foot total.


Tentative Parcel Map No. 20235 is a request to combine six parcels (APNs: 0234-241-14, -15, and
0234-251-01, -02 -03, -08,) into one lot of approximately 10.8 adjusted gross acres.

In addition, Mitigated Negative Declaration, Mitigation Monitoring and Reporting Program, and
Notice of Determination have been prepared.

This is to certify that the City of Fontana, approved the above-described project on August 17,
2021, and made the following determinations:

1. The project will not have a significant effect on the environment.
2. An Environmental Impact Report was prepared and certified for this project pursuant to the
provisions of CEQA and reflects the independent judgment of the Lead Agency.
3. Mitigation measures were made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan was adopted for this project.
5. A Statement of Overriding Considerations was adopted for this project.
6. Findings were made pursuant to the provisions of CEQA.

This is to certify that the Mitigated Negative Declaration and Mitigation Monitoring and Reporting
Program with comments/responses and record of project approval is available to the General
Public: City of Fontana, Planning Division 8353 Sierra Ave, Fontana, CA 92335


Paul Gonzales
Senior Planner

8-18-21

Date Received for Filing

CLERK OF THE
BOARD OF SUPERVISORS

2021 AUG 19 PM 1:37

COUNTY OF SAN BERNARDINO
CALIFORNIA



FONTANA
CALIFORNIA

MITIGATED NEGATIVE DECLARATION

1. Name, if any, and a brief description of project:
Design Review No. 20-019 is a request for site and architectural review to construct a 247,740 square foot warehouse facility.
Tentative Parcel Map No. 20235 is a request to combine six parcels (APNs: 0234-241-14, -15, and 0234-251-01, -02 -03, -08,) into one lot totaling approximately 10.8 adjusted gross acres.
2. Location:
The project site is located on the northeast corner of the intersection of Washington Drive and Redwood Avenue.
3. Entity or person undertaking project:
 A. _____
 X B. Other (Private)
 (1) Name: **Alere Property Group**
 (2) Address: **100 Bayview Circle, Suite No. 310**
 Newport Beach, CA 92660

The Planning Commission, having reviewed the Initial Study of this proposed project and having reviewed the written comments received prior to the public meeting of the Planning Commission, including the recommendation of the City's Staff, does hereby find and declare that the proposed project will not have a significant effect on the environment. Brief statements of the reasons supporting the Planning Commission's findings are as follows:

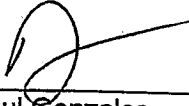
- a. This project does not have the potential to degrade the quality of the environment.
- b. The project will not achieve short-term, to the disadvantage of long-term, environmental goals.
- c. The project does not have impacts that are individually or cumulatively considerable.
- d. The project will not have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly.

The Planning Commission hereby finds that the Mitigated Negative Declaration reflects its independent judgment. A copy of the Initial Study may be obtained at:

City of Fontana, Planning Division
8353 Sierra Avenue
Fontana, CA 92335
(909) 350-6718

The location and custodian of the documents and any other material which constitute the record of proceedings upon which the City based its decision to adopt this Mitigated Negative Declaration are as follows:

City of Fontana, Planning Division
8353 Sierra Avenue
Fontana, CA 92335
(909) 350-6718


 Paul Gonzales
 Senior Planner

8-18-21
 Date Received for Filing



NOTICE OF PUBLIC HEARING

Si desea información en Español referente a esta notificación o proyecto, favor de comunicarse al (909) 350-6728.

In compliance with Section No. 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. 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. 21-004/Master Case No. (MCN) 20-049, Tentative Parcel Map No. 20235 (TPM No. 20-014), and Design Review (DRP) No. 20-019: A request for an appeal to overturn the Planning Commission's decision on August 17, 2021, approving, TPM No. 20235, to combine six parcels (APNs: 0234-241-14 and -15, and 0234-251-01, -02 -03, and -08,) into one lot of approximately 10.8 adjusted gross acres, and DRP No. 20-019 for the construction of a warehouse building totaling approximately 247,786 square foot including a maximum of two potential office/mezzanine space of approximately 4,000 square foot each, 34 warehouse dock doors, two ground level loading doors, 117 automobile parking spaces, and 50 trailer parking spaces. The building will have a maximum height of 42-foot. The site is located on the northeast corner of the intersection of Washington Drive and Redwood Avenue within the Light Industrial (M-1) Zoning District of the City of Fontana.

**Environmental
Determination:**

This project qualifies for a Disapproval, pursuant to Section 15270 of the California Environmental Quality Act (CEQA) and Section 3.06 of the City of Fontana 2019 Local Guidelines for Implementing the CEQA.

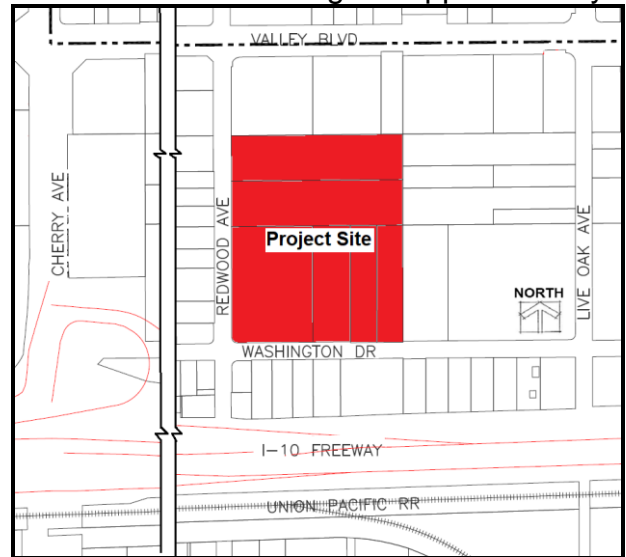
Location:

The project site is located on the northeast corner of the intersection of Washington Drive and Redwood Avenue with a frontage of approximately 605-foot on the north side of Washington Drive and a second frontage of approximately 735-foot on the east Redwood Avenue.

Date of Hearing: October 26, 2021

Place of Hearing: 8353 Sierra Avenue,
Fontana, CA, City Hall
Council Chambers at 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 Jon Dille, **Associate Planner**, at 909-350-6681 or via E-mail: jdille@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.



City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

City Council Meeting

File #: 21-969

Agenda #: C.

Agenda Date: 10/26/2021

Category: Public Hearing

FROM:

Management Services

SUBJECT:

Public Hearing on Formation of Community Facilities District No. 107 (Highland)

RECOMMENDATION:

1. Adopt Resolution No. 2021-_____ of the City Council of the City of Fontana of formation of the City of Fontana Community Facilities District No.107 (Highland), authorizing the levy of a special tax within the community facilities district and establishing an appropriations limit for the community facilities district.
2. Adopt Resolution No. 2021-_____ of the City Council of the City of Fontana deeming it necessary to incur bonded indebtedness within the City of Fontana Community Facilities District No.107 (Highland).
3. Adopt Resolution No. 2021-_____ of the City Council of the City of Fontana calling special election for City of Fontana Community Facilities District No. 107 (Highland).
4. Adopt Resolution No. 2021-_____ of the City Council of the City of Fontana declaring results of special election and directing the recording of notice of special tax lien.
5. Read by title only and waive further reading of and introduce Ordinance No. _____ levying special taxes within the City of Fontana Community Facilities District No. 107 (Highland); and that the reading of the title constitutes the first reading thereof.
6. Adopt Resolution No. 2021-_____ of the City Council of the City of Fontana authorizing the execution and delivery of a Letter of Credit Agreement and an Acquisition and Funding Agreement.

COUNCIL GOALS:

- To practice sound fiscal management by developing long-term funding and debt management plans.

DISCUSSION:

Stratham has initiated the process to form a Community Facilities District for the purpose of financing the acquisition of certain public facilities that are eligible under the City financing goals and policies, namely sewer, storm drain, street improvements, landscaping. The formation of the district will benefit the City by funding the infrastructure projects outside of the typical improvements that would be required for the project including a contribution for a project of community benefit. CFD bond funding will allow for infrastructure to be built at one time reducing construction inconvenience for earlier residents and enhancing the overall community aesthetics.

The project consists of approximately 11.06 gross (7.19 net taxable) acres (107 residential lots), is located north of South Highland Avenue between San Sevaire Road and Hemlock Avenue.

On September 14, 2021, the City Council adopted a resolution of intent to establish Community Facilities District No. 107 (Highland) and to incur bonded indebtedness of the district.

The proposed Rate and Method of Apportionment (RMA) includes rates to pay for bonded indebtedness and maintenance of street lighting, landscaping and parks. Initial assigned residential rates are proposed as follows:

Land Use Class	Residential Floor Area	Bond Debt	Maint	Total
1	2,150 sf or greater	\$3,321	\$373	\$3,694
2	2,000 sf to less than 2,150 sf	\$3,290	\$373	\$3,663
3	1,850 sf to less than 2,000 sf	\$3,183	\$373	\$3,556
4	1,700 sf to less than 1,850 sf	\$3,125	\$373	\$3,498
5	1,550 sf to less than 1,700 sf	\$3,072	\$373	\$3,445
6	1,400 sf to less than 1,550 sf	\$2,938	\$373	\$3,311
7	Less than 1,400 sf	\$2,832	\$373	\$3,205

Sales prices for the homes have been estimated at \$507,500 to \$588,000. The proposed rates have been established to provide a total tax rate of less than 1.95% of the home value per City Policy.

The proposed rates for bonded indebtedness will support \$4.3 million of bonds, providing funds to finance \$3.6 million of facilities and/or fees. The proposed annual rates for maintenance of \$373 per unit will be sufficient to fund the annual maintenance costs for street lighting, landscaping and parks within and surrounding the area of the CFD. The maximum annual tax rates for maintenance have been set at \$520 per unit with a 2% escalator per City Policy.

This action will form the District, authorize the levy of the special tax and authorize bonded indebtedness. The recommended action complies with the City Council's debt management objectives.

FISCAL IMPACT:

This District will provide annual funding for maintenance costs, administration, and debt service costs once bonds are issued.

MOTION:

Approve staff recommendation.

RESOLUTION NO. FPFFA 2021-____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FONTANA PUBLIC FACILITIES FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF A GROUND LEASE, LEASE AGREEMENT, INDENTURE, ASSIGNMENT AGREEMENT, ESCROW AGREEMENT AND BOND PURCHASE AGREEMENT IN CONNECTION WITH THE ISSUANCE OF FONTANA PUBLIC FACILITIES FINANCING AUTHORITY LEASE REVENUE BONDS, SERIES 2021A, AUTHORIZING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$28,000,000, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH BONDS AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the City of Fontana (the “City”) previously financed or refinanced a portion of the costs of the acquisition, construction and installation of certain public capital improvements within the City (the “2010 Project”) as described in the proceedings for the Fontana Public Financing Authority 2010 Lease Revenue Bonds (Taxable Recovery Zone Economic Development Bonds) (the “2010 Bonds”);

WHEREAS, in order to accomplish such financing, the City determined to provide the funds necessary to finance the acquisition, construction and installation of the 2010 Project through the 2010 Bonds, payable from certain lease payments to be made by the City under a lease agreement;

WHEREAS, the City desires to finance the acquisition, construction, and installation of certain public capital improvements in the City, including a new Fire Station No. 81 and a Training Facility located on the site of future Fire Station No. 80 (collectively, the “2021 Project”; and, together with the 2010 Project, the “Project”);

WHEREAS, the Authority and the City desire to refinance all or a portion of the 2010 Project and finance all or a portion of the 2021 Project;

WHEREAS, the City is a member of the Authority and the Project is located within the boundaries of the City;

WHEREAS, the City has, prior to the consideration of this Resolution, held a public hearing on the refinancing of the 2010 Project and the financing of the 2021 Project in accordance with Section 6586.5 of the Act, which hearing was held at 8353 Sierra Avenue, Fontana, California 92335 on September 28, 2021 and adopted its resolution approving the financing and making a finding of significant public benefit in accordance with the Act;

Resolution No. FPFFA 2021-

WHEREAS, in accordance with Section 6586.5 of the Act, notice of such hearing was published once at least five days prior to the hearing in the Fontana Herald News, a newspaper of the general circulation in the City;

WHEREAS, the Authority and the City have determined that it would be in the best interests of the Authority, the City and residents of the City to authorize the preparation, sale and delivery of the “Fontana Public Facilities Financing Authority Lease Revenue Bonds, Series 2021A” (the “Bonds”) for the purpose of refinancing the 2010 Project, the 2010 Bonds, and the City’s related lease payments, and financing the 2021 Project;

WHEREAS, in order to facilitate the issuance of the Bonds, the City and the Authority desire to enter into a Ground Lease between the City and the Authority (the “Ground Lease”) pursuant to which the City will lease certain real property (which real property shall consist of assets generally described as the City’s Ben L. Abernathy Police Facility, Fire Station No. 71, the future site of Fire Station No. 81, and the future site of a new Fire Protection District Training Facility, subject to adjustment as described in Section 2 below (the “Leased Assets”)) to the Authority, and a Lease Agreement between the City and the Authority (the “Lease Agreement”), pursuant to which the City will lease the Leased Assets back from the Authority, and pay certain Base Rental Payments (as defined in the Lease Agreement), which are pledged to the owners of the Bonds by the Authority pursuant to an Indenture (the “Indenture”) by and among U.S. Bank National Association (the “Trustee”), the City and the Authority;

WHEREAS, the Authority and the Trustee desire to enter into an Assignment Agreement in order to provide, among other things, that all rights to receive the Base Rental Payments have been assigned without recourse by the Authority to the Trustee;

WHEREAS, the City and the Authority have determined that debt service savings can be achieved by the prepayment and defeasance of the 2010 Bonds and that significant public benefits will be achieved by the financing of the 2021 Project through the issuance of the Bonds by enabling the City to undertake the 2021 Project on a timely basis and provide a more efficient delivery of fire protection services to the community;

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide the funds necessary to refinance all or a portion of the 2010 Project and finance all or a portion of the 2021 Project through the offering and sale of the Bonds;

WHEREAS, the Bonds will be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the “Act”);

WHEREAS, the City and the Authority desire to provide for the negotiated sale of the Bonds;

WHEREAS, the City and the Authority have engaged Stifel Nicolaus & Company, Incorporated to act as underwriter (the “Underwriter”) to purchase the Bonds from the Authority pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”);

Resolution No. FPFFA 2021-

WHEREAS, a form of the Preliminary Official Statement (the “Preliminary Official Statement”) has been prepared;

WHEREAS, good faith estimates of certain information relating to the Lease Agreement and the Bonds are disclosed and set forth in Exhibit A attached to this Resolution as required by California Government Code Section 5852.1; such estimates were provided by the Municipal Advisor based on preliminary bond pricing information provided by the Underwriter;

WHEREAS, the Board of Directors of the Authority (the “Board of Directors”) has been presented with the form of each document referred to herein, and the Board of Directors has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such refinancing; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such refinancing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such refinancing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, the Board of Directors of the Fontana Public Facilities Financing Authority does hereby resolve, determine and order as follows:

Section 1. All of the recitals herein contained are true and correct and the Board of Directors so finds. Each of the above recitals is true and correct. The Board of Directors of the Authority has determined and hereby finds that the Authority’s assistance in refinancing the 2010 Project and financing the 2021 Project by the issuance of the Bonds and related transactions will result in significant public benefits of the type described in Section 6586 (a) through (d), inclusive, of the Act.

Section 2. The forms of the Lease Agreement and the Ground Lease, on file with the Secretary of the Authority, are hereby approved, and the Chair, Vice Chair, Executive Director (which shall be the City Manager of the City), Auditor and Treasurer, and Secretary (the “Authorized Officers”), are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Lease Agreement and the Ground Lease, respectively, in substantially said forms, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of the Lease Agreement and the Ground Lease shall terminate no later than November 1, 2051 (provided that such term may be extended as provided therein) and the all-in true interest cost applicable to the interest components of the Base Rental Payments shall not exceed 5.00% per annum. In the event that it is determined by the City Manager, or his designee, that there are limitations or restrictions on the ability of the City to lease or sublease any portion of the Leased Assets as contemplated by the Ground Lease and Lease Agreement, the City

Resolution No. FPFFA 2021-

Manager, or his designee, may designate other or additional real property of the City to be leased or subleased pursuant to the Ground Lease and Lease Agreement, with such designation to be conclusively evidenced by the execution and delivery of the Ground Lease and Lease Agreement by one or more of the Authorized Officers.

Section 3. The form of Indenture, on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the Bonds shall not exceed \$28,000,000, the final maturity date of the Bonds shall be no later than November 1, 2051 and the all-in true interest cost applicable to the Bonds shall not exceed 5.00% per annum and, provided, further, that such changes, insertions and omissions shall be consistent with the terms of the Bonds established at negotiated sale pursuant to the Bond Purchase Agreement.

Section 4. The issuance of not to exceed \$28,000,000 aggregate principal amount of the Bonds, in the principal amounts, bearing interest at the rates and maturing on the dates as specified in the Indenture as finally executed, is hereby authorized and approved.

The sale and issuance of the Bonds is hereby determined to be consistent with the Authority's Debt Management Policy adopted by Section 8 below, and to the extent the sale and issuance of the Bonds is not in compliance with the Authority's Debt Management Policy, such noncompliance is waived in accordance with the terms of the Authority's Debt Management Policy.

Section 5. The form of Assignment Agreement, on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The Bond Purchase Agreement, on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name of the Authority to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate underwriter's discount (not including any original issue discount paid by the Underwriter) from the principal amount of the Bonds in excess of one percent (1.00%) of the aggregate principal amount of the Bonds.

Resolution No. FPFFA 2021-

Section 7. The form of Preliminary Official Statement, on file with the Secretary of the Authority, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the Authority that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by such Rule).

The Authorized Officers are each hereby authorized and directed to furnish, or cause to be furnished, to prospective bidders for the Bonds a reasonable number of copies of the Preliminary Official Statement.

Section 8. The preparation and delivery of an Official Statement, and its use in connection with the offering and sale of the Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute the final Official Statement and any amendment or supplement thereto for and in the name and on behalf of the Authority.

Section 9. Stradling Yocca Carlson & Rauth, a Professional Corporation, is hereby approved and appointed as Bond Counsel, Jones Hall, a Professional Law Corporation, is hereby approved and appointed as Disclosure Counsel, CSG Advisors Incorporated is hereby approved and appointed as Municipal Advisor, and U.S. Bank National Association is hereby appointed as Trustee, each to provide such services to the Authority and any other related services as may be required to issue the Bonds and to defease and/or refinance the 2010 Bonds and the 2010 Lease.

Section 10. The officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. Specifically and without limiting the foregoing, any Authorized Officer is authorized and directed to solicit and accept bids for bond insurance and, if applicable, a reserve account insurance policy, for the Bonds, provided such officer determines acceptance of the best bid will result in further debt service savings, and appropriate changes to each of the documents referenced herein to evidence such bond insurance and the terms thereof, are hereby authorized and approved. Anything to the contrary herein notwithstanding, in the event the Executive Director determines in consultation with the Municipal Advisor that the cost efficient marketing of the Bonds requires creation of a funded reserve under the Indenture, each of the Indenture, Lease Agreement and other documents approved herein may be revised to reflect the funding of such a reserve. All actions heretofore

Resolution No. FPFFA 2021-

taken by the officers and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 11. This Resolution shall take effect from and after its date of adoption.

APPROVED and ADOPTED this 12th day of October 2021.

READ AND APPROVED AS TO LEGAL FORM:

Authority Attorney

I, Tonia Lewis, Secretary of the Fontana Public Facilities Financing Authority, do hereby certify that the foregoing resolution is the actual resolution duly and regularly adopted by the Fontana Public Facilities Financing Authority at a regular meeting on the 12th day of October 2021, by the following vote to-wit:

AYES:

NOES:

ABSENT:

Secretary of the Fontana Public Facilities Financing Authority

Chairman of the Fontana Public Facilities Financing Authority

ATTEST:

Authority Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by the City's Municipal Advisor, CSG Advisors Incorporated, in consultation with Stifel, Nicolaus & Company, Incorporated, the Underwriter of the Bonds.

Principal Amount. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be issued and sold is **\$23,280,000** (the "Estimated Principal Amount"), which excludes approximately **\$3,852,000** of net premium estimated to be generated based on current market conditions. Net premium is generated when, on a net aggregate basis for a single issuance of bonds, the price paid for such bonds is higher than the face value of such bonds. The Estimated Principal Amount plus the net premium represent the total estimated proceeds available in the aggregate amount of **\$27,132,000**.

True Interest Cost of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is **2.85%**.

Finance Charge of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate and expectation to purchase bond insurance at a net beneficial cost to the City (meaning the cost of the insurance premium will be less than the reduced interest cost to the City), its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is **\$575,000**.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is **\$26,557,000**.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments

the City will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is **\$39,426,000**, which excludes any reserves or capitalized interest paid or funded with proceeds of the Bonds (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds issued and sold being different from the Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, (f) alterations to the City's financing plan, or a combination of such factors.

RESOLUTION NO. PFA 2021-_____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE FONTANA
PUBLIC FINANCING AUTHORITY AUTHORIZING THE EXECUTION
AND DELIVERY OF AN ESCROW AGREEMENT IN CONNECTION WITH
THE ISSUANCE AND SALE BY THE FONTANA PUBLIC FACILITIES
FINANCING AUTHORITY OF ITS REVENUE BONDS TO REFINANCE
THE FONTANA PUBLIC FINANCING AUTHORITY 2010 LEASE
REVENUE BONDS AND APPROVING RELATED ACTIONS**

WHEREAS, the Fontana Public Financing Authority (the “Authority”) has previously entered into that certain Lease Agreement, dated as of November 1, 2010 (the “2010 Lease”) with the City of Fontana (the “City”), which secures the Fontana Public Financing Authority 2010 Lease Revenue Bonds (Taxable Recovery Zone Economic Development Bonds) (the “2010 Bonds”);

WHEREAS, the City has determined that, due to prevailing financial market conditions, it is in the best interests of the City at this time to refinance and prepay the 2010 Lease and, therefore, refund, on a current basis, the 2010 Bonds;

WHEREAS, to provide moneys to refund the 2010 Bonds, the Fontana Public Facilities Financing Authority has determined to issue its Lease Revenue Refunding Bonds, Series 2021A (the “2021 Bonds”); and

WHEREAS, the Authority has duly considered such transactions and wishes at this time to authorize the execution of an escrow agreement and certain other actions in connection therewith;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. Approval of Escrow Agreement. An Escrow Agreement (2010 Bonds), by and among the Authority, the City and U.S. Bank National Association, as escrow bank (the “Escrow Bank”), relating to the refunding of the 2010 Bonds (the “2010 Escrow Agreement”), in the form thereof on file with the Secretary, together with any additions thereto or changes therein deemed necessary or advisable by a Designated Officer is hereby approved by the Board. The Designated Officers (defined below) are hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest to, the final form of the 2010 Escrow Agreement for and in the name and on behalf of the Authority. The Board hereby authorizes the delivery and performance of the 2010 Escrow Agreement.

Section 2. Official Actions. The Chair, the Vice Chair, the Executive Director, the Treasurer and the Secretary of the Authority (each a “Designated Officer”), and any and all other officers of the Authority, are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other

Resolution No. PFA 2021-

documents which they, or any of them, may deem necessary or advisable in order to consummate the prepayment of the City's obligations under the 2010 Lease, the termination of the 2010 Lease, the redemption of the 2010 Bonds, and the lawful issuance and sale of the 2021 Bonds as described herein. Whenever in this resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 3. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

APPROVED and ADOPTED this 12th day of October 2021.

READ AND APPROVED AS TO LEGAL FORM:

Authority Attorney

I, Tonia Lewis, Secretary of the Fontana Public Facilities Financing Authority, do hereby certify that the foregoing resolution is the actual resolution duly and regularly adopted by the Fontana Public Facilities Financing Authority at a regular meeting on the 12th day of October 2021, by the following vote to-wit:

AYES:

NOES:

ABSENT:

Secretary of the Fontana Public Financing Authority

Chairman of the Fontana Public Facilities Financing Authority

ATTEST:

Authority Secretary

RESOLUTION NO. PFA 2021--_____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE FONTANA
PUBLIC FINANCING AUTHORITY AUTHORIZING THE EXECUTION
AND DELIVERY OF A TERMINATION OF LEASE AGREEMENT AND
APPROVING RELATED ACTIONS**

WHEREAS, the Fontana Public Financing Authority (the “Authority”), as lessor, and the City of Fontana (the “City”), as lessee, entered into that certain Lease Agreement, dated as of February 1, 2003 (the “2003 Lease Agreement”), a memorandum of which was recorded on February 26, 2003 as Instrument No. 2003-0126872 in the Official Records of the County of San Bernardino, State of California, pursuant to which the City leased certain property and facilities described therein (the “Property”) to the Authority and the Authority leased the Property back to the City and the City agreed to make Lease Payments (as defined in the 2003 Lease Agreement) to the Authority through March 1, 2016;

WHEREAS, on March 1, 2016, the City paid the final Lease Payment due under the 2003 Lease Agreement such that all Lease Payments have been paid in full and therefore, pursuant to the terms of the 2003 Lease Agreement;

WHEREAS, the Authority wishes at this time to authorize the execution of a termination agreement and certain other actions in connection therewith;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. Approval of Termination Agreement. A Termination Agreement (2003 Lease), by and between the Authority and the City relating to the 2003 Lease (the “Termination Agreement”), in the form thereof on file with the Secretary of the Authority, together with any additions thereto or changes therein deemed necessary or advisable by a Designated Officer is hereby approved by the Board. The Designated Officers (defined below) are hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest to, the final form of the Termination Agreement for and in the name and on behalf of the Authority. The Board hereby authorizes the delivery and performance of the Termination Agreement.

Section 2. Official Actions. The Chair, the Vice Chair, the Executive Director, the Treasurer and the Secretary of the Authority (each a “Designated Officer”), and any and all other officers of the Authority, are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the termination of the 2003 Lease as described herein. Whenever in this resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on

Resolution No. PFA 2021-

behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 3. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

APPROVED and ADOPTED this 12th day of October 2021.

READ AND APPROVED AS TO LEGAL FORM:

Authority Attorney

I, Tonia Lewis, Secretary of the Fontana Public Facilities Financing Authority, do hereby certify that the foregoing resolution is the actual resolution duly and regularly adopted by the Fontana Public Facilities Financing Authority at a regular meeting on the 12th day of October 2021, by the following vote to-wit:

AYES:

NOES:

ABSENT:

Secretary of the Fontana Public Financing Authority

Chairman of the Fontana Public Facilities Financing Authority

ATTEST:

Authority Secretary

RESOLUTION NO. 2021-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF A GROUND LEASE, LEASE AGREEMENT, INDENTURE, ESCROW AGREEMENT, CONTINUING DISCLOSURE CERTIFICATE AND BOND PURCHASE AGREEMENT IN CONNECTION WITH THE ISSUANCE OF FONTANA PUBLIC FACILITIES FINANCING AUTHORITY LEASE REVENUE BONDS, SERIES 2021A, APPROVING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$28,000,000, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH BONDS AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the City of Fontana, California (the “City”) is a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California (the “State”);

WHEREAS, the City previously financed a portion of the costs of the acquisition, construction and installation of certain public capital improvements in the City including Fire Station No. 71, as more fully described in the proceedings for the issuance of the 2010 Bonds (defined below) (the “2010 Project”);

WHEREAS, in order to accomplish such financing, the City determined to provide the funds necessary to finance the acquisition, construction and installation of the 2010 Project through issuance by the Fontana Public Financing Authority (the “Financing Authority”) of its 2010 Lease Revenue Bonds (Taxable Recovery Zone Economic Development Bonds) (the “2010 Bonds”), payable from certain lease payments to be made by the City under a lease agreement (the “2010 Lease”);

WHEREAS, the City desires to finance the acquisition, construction, and installation of certain public capital improvements in the City, including a new Fire Station No. 81 and a Fire Protection District Training Facility located on the site of future Fire Station No. 80 (collectively, the “2021 Project”; and, together with the 2010 Project, the “Project”);

WHEREAS, the City desires to refinance all or a portion of the 2010 Project and finance all or a portion of the 2021 Project;

WHEREAS, the City is a member of the Fontana Public Facilities Financing Authority (the “Authority”) and the Project is located within the boundaries of the City;

WHEREAS, the City has, prior to the consideration of this Resolution, held a public hearing on the refinancing of the 2010 Project and the financing of the 2021 Project in accordance with Section 6586.5 of the Act, which hearing was held at 8353 Sierra Avenue, Fontana, California 92335 on September 28, 2021;

Resolution No. 2021-

WHEREAS, in accordance with Section 6586.5 of the Act, notice of such hearing was published once at least five days prior to the hearing in the Fontana Herald News, a newspaper of general circulation in the City;

WHEREAS, the Authority and the City have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the “Fontana Public Facilities Financing Authority Lease Revenue Bonds, Series 2021A” (the “Bonds”) for the purpose of refinancing the 2010 Project, the 2010 Bonds and the City’s related lease payments, and financing the 2021 Project;

WHEREAS, in order to facilitate the issuance of the Bonds, the City and the Authority desire to enter into a Ground Lease between the City and the Authority (the “Ground Lease”) pursuant to which the City will lease certain real property (which real property shall consist of property generally known as the City’s Ben L. Abernathy Police Facility, Fire Station No. 71, the future site of Fire Station No. 81, and the future site of a new Fire District Training Facility, subject to adjustment as described in Section 2 below (the “Leased Assets”)) to the Authority, and a Lease Agreement between the City and the Authority (the “Lease Agreement”), pursuant to which the City will lease the Leased Assets back from the Authority, and pay certain Base Rental Payments (as defined in the Lease Agreement), which are pledged to the owners of the Bonds by the Authority pursuant to an Indenture by and among U.S. Bank National Association (the “Trustee”), the City and the Authority (the “Indenture”);

WHEREAS, the City previously refinanced a portion of the costs of the acquisition, construction and installation of certain public capital improvements in the City including the Ben L. Abernathy Police Facility, as more fully described in the proceedings for the issuance of the 2003 Bonds (defined below) (the “2003 Project”);

WHEREAS, in order to accomplish such refinancing, the City determined to provide the funds necessary to refinance the acquisition, construction and installation of the 2003 Project through issuance by the Fontana Public Financing Authority of its 2003 Lease Revenue Bonds (Police Facilities Refunding Project) (the “2003 Bonds”), payable from certain lease payments to be made by the City under a lease agreement (the “2003 Lease”);

WHEREAS, the City and the Authority have determined that debt service savings can be achieved by the prepayment and defeasance of the 2010 Bonds and that significant public benefits will be achieved by the financing of the 2021 Project through the issuance of the Bonds by enabling the City to undertake the 2021 Project on a timely basis and provide a more efficient delivery of fire protection services to the community;

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide the funds necessary to refinance all or a portion of the 2010 Project and finance all or a portion of the 2021 Project through the offering and sale of the Bonds;

Resolution No. 2021-

WHEREAS, the defeasance of the 2010 Bonds will be accomplished by means of an Escrow Agreement (the "Escrow Agreement") by and among U.S. Bank National Association, as escrow agent ("Escrow Agent"), the City and the Fontana Public Financing Authority, the form of which has been presented to this City Council at the meeting at which this Resolution is being adopted;

WHEREAS, the Bonds will be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the "Act");

WHEREAS, the City and the Authority desire to provide for the negotiated sale of the Bonds;

WHEREAS, the City and the Authority have selected Stifel, Nicolaus & Company, Incorporated to act as underwriter (the "Underwriter") to purchase the Bonds from the Authority pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement");

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") requires that, in order to be able to purchase or sell the Bonds, the underwriter thereof must have reasonably determined that the City has undertaken in a written agreement or contract for the benefit of the holders of the Bonds to provide disclosure of certain financial information and certain events on an ongoing basis;

WHEREAS, in order to cause such requirement to be satisfied, the City desires to execute and deliver a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate");

WHEREAS, a form of the Preliminary Official Statement (the "Preliminary Official Statement") has been prepared;

WHEREAS, good faith estimates of certain information relating to the Lease Agreement and the Bonds are disclosed and set forth in Exhibit A attached to this Resolution as required by California Government Code Section 5852.1; such estimates were provided by CSG Advisors Incorporated (the "Municipal Advisor") based on preliminary bond pricing information provided by the Underwriter;

WHEREAS, the City Council has been presented with the form of each document referred to herein relating to the refinancing contemplated hereby, and the City Council has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such refinancing; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such refinancing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such refinancing for the purpose, in the manner and upon the terms herein provided;

Resolution No. 2021-

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fontana that:

Section 1. Each of the above recitals is true and correct. Following a duly noticed public hearing, the City Council hereby approves the financing and refinancing of the Project described in this Resolution and further finds and determines that there are significant public benefits to the citizens of the City through the issuance of the Bonds and execution and delivery of the Ground Lease and Lease Agreement pursuant to the Act and otherwise hereunder within the meaning of Section 6586(a) through (d), inclusive, of the Act, in that the delivery of the Bonds and related transactions will result in demonstrable savings in effective interest rate to the City and enable the City to undertake the 2021 Project on a timely basis, and provide a more efficient delivery of fire protection services to the community.

Section 2. The forms of the Ground Lease and Lease Agreement, on file with the City Clerk, are hereby approved, and the Mayor, the Mayor Pro Tem, the City Manager, the Management Services Director or Finance Director, and the City Clerk (the "Authorized Officers"), are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Ground Lease and Lease Agreement in substantially said forms, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of the Ground Lease and Lease Agreement shall terminate no later than November 1, 2051 (provided that such term may be extended as provided therein) and the all-in true interest cost applicable to the Bonds shall not exceed 5.00% per annum. In the event that it is determined by the City Manager, or his designee, that there are limitations or restrictions on the ability of the City to lease or sublease any portion of the Leased Assets as contemplated by the Ground Lease and Lease Agreement, the City Manager, or his designee, may designate other or additional real property of the City to be leased or subleased pursuant to the Ground Lease and Lease Agreement, with such designation to be conclusively evidenced by the execution and delivery of the Ground Lease and Lease Agreement by one or more of the Authorized Officers.

Section 3. The form of Indenture, on file with the City Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Indenture in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate principal amount of the Bonds shall not exceed \$28,000,000, the final maturity date of the Bonds shall be no later than November 1, 2051 and the all-in true interest cost applicable to the Bonds shall not exceed 5.00% per annum, and, provided, further, that such changes, insertions and omissions shall be consistent with the terms of the Bonds established at negotiated sale pursuant to the Bond Purchase Agreement.

Section 4. The Bond Purchase Agreement, on file with the City Clerk, is hereby approved and the Authorized Officers are each hereby authorized and directed, for and

Resolution No. 2021-

in the name of the City, to execute and deliver the acceptance thereof set forth in the Bond Purchase Agreement, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate underwriter's discount (not including any original issue discount paid by the Underwriter) from the principal amount of the Bonds in excess of one percent (1.00%) of the aggregate principal amount of the Bonds.

Section 5. The issuance of not to exceed \$28,000,000 aggregate principal amount of the Bonds, in the principal amounts, bearing interest at the rates and maturing on the dates as specified in the Indenture as finally executed, is hereby approved.

The sale and issuance of the Bonds and execution and delivery of the Lease Agreement is hereby determined to be consistent with the City's Debt Management Policy and to the extent the sale and issuance of the Bonds is not in compliance with the City's Debt Management Policy, such noncompliance is waived in accordance with the terms of the City's Debt Management Policy.

Section 6. The form of Preliminary Official Statement, on file with the City Clerk, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the City that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

The Authorized Officers are each hereby authorized and directed to furnish, or cause to be furnished, to prospective bidders for the Bonds a reasonable number of copies of the Preliminary Official Statement.

Section 7. The preparation and delivery of an Official Statement, and its use in connection with the offering and sale of the Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the City, to execute the final Official Statement and any amendment or supplement thereto for and in the name and on behalf of the City.

Section 8. The form of Escrow Agreement, on file with the City Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Escrow Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Resolution No. 2021-

Section 9. The form of Continuing Disclosure Certificate, on file with the City Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Continuing Disclosure Certificate in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. Stradling Yocca Carlson & Rauth, a Professional Corporation, is hereby approved and appointed as Bond Counsel, Jones Hall, a Professional Law Corporation, is hereby approved and appointed as Disclosure Counsel, CSG Advisors Incorporated is hereby approved and appointed as Municipal Advisor, and U.S. Bank National Association is hereby appointed as Trustee, each to provide such services to the City and any other related services as may be required to issue the Bonds and to defease and/or refinance the 2010 Bonds and the 2010 Lease.

Section 11. The officers, employees and agents of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, but not limited to, the execution and delivery of agreements terminating the leasehold and subleasehold interests of the Financing Authority securing the 2010 Bonds (including, but not limited to, the Termination of Lease Agreement (2010) substantially in the form on file with the City Clerk) and the execution and delivery of agreements terminating the leasehold and subleasehold interests of the Financing Authority securing the 2003 Bonds (including, but not limited to, the Termination of Lease Agreement (2003) substantially in the form on file with the City Clerk). Anything to the contrary herein notwithstanding, in the event the Management Services Director determines in consultation with the Municipal Advisor that the cost efficient marketing of the Bonds requires creation of a funded reserve under the Indenture, each of the Indenture, Lease Agreement and other documents approved herein may be revised to reflect the funding of such a reserve. Specifically and without limiting the foregoing, the City Manager is authorized and directed to solicit and accept bids for bond insurance and, if applicable, a reserve account insurance policy, for the Bonds, provided he determines acceptance of the best bid will result in further debt service savings, and appropriate changes to each of the documents referenced herein to evidence such bond insurance, and, if applicable, a reserve account insurance policy, and the terms thereof, are hereby authorized and approved. All actions heretofore taken by the officers, employees and agents of the City with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 12. This Resolution will take effect from and after its date of adoption.

Resolution No. 2021-

APPROVED and ADOPTED by the City Council of the City of Fontana on the 12th day of October 2021.

READ AND APPROVED AS TO LEGAL FORM:

City Attorney

I, Tonia Lewis, City Clerk of the City of Fontana, California, and Ex-Officio Clerk of the City Council, do hereby certify that the foregoing Resolution is the actual Resolution duly and regularly adopted by the City Council of said City at a regular meeting thereof, held on the 12th day of October 2021, by the following vote to-wit:

AYES:

NOES:

ABSENT:

City Clerk

Mayor

ATTEST:

City Clerk

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by its Municipal Advisor, CSG Advisors Incorporated, in consultation with Stifel, Nicolaus & Company, Incorporated, the Underwriter of the Bonds.

Principal Amount. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be issued and sold is **\$23,280,000** (the "Estimated Principal Amount"), which excludes approximately **\$3,852,000** of net premium estimated to be generated based on current market conditions. Net premium is generated when, on a net aggregate basis for a single issuance of bonds, the price paid for such bonds is higher than the face value of such bonds. The Estimated Principal Amount plus the net premium represent the total estimated proceeds available in the aggregate amount of **\$27,132,000**.

True Interest Cost of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is **2.85%**.

Finance Charge of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate and expectation to purchase bond insurance at a net beneficial cost to the City (meaning the cost of the insurance premium will be less than the reduced interest cost to the City), its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is **\$575,000**.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is **\$26,557,000**.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Bonds, plus the finance charge for the Bonds,

as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is **\$39,426,000**, which excludes any reserves or capitalized interest paid or funded with proceeds of the Bonds (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds issued and sold being different from the Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, (f) alterations to the City's financing plan, or a combination of such factors.

RECORDING REQUESTED BY:

Fontana Public Facilities Financing Authority

AND WHEN RECORDED RETURN TO:

Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Vanessa S. Legbandt, Esq.

[Space above for Recorder's use.]

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11921 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE. THE ASSIGNOR IS A GOVERNMENTAL AGENCY.

ASSIGNMENT AGREEMENT

by and between

FONTANA PUBLIC FACILITIES FINANCING AUTHORITY

and

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

Dated as of November 1, 2021

Relating to

\$_____

**FONTANA PUBLIC FACILITIES FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2021A**

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT (this “Assignment Agreement”), executed and entered into as of November 1, 2021, is by and between the FONTANA PUBLIC FACILITIES FINANCING AUTHORITY, a joint exercise of powers entity organized and existing under and by virtue of the laws of the State of California (the “Authority”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States, as Trustee (the “Trustee”).

WITNESSETH:

WHEREAS, the City of Fontana (the “City”) previously financed a portion of the costs of the acquisition, construction and installation of certain public capital improvements in the City including Fire Station No. 71, as more fully described in the proceedings for the issuance of the 2010 Bonds (defined below) (the “2010 Project”);

WHEREAS, in order to accomplish such financing, the City determined to provide the funds necessary to finance the acquisition, construction and installation of the 2010 Project through issuance by the Fontana Public Financing Authority of its 2010 Lease Revenue Bonds (Taxable Recovery Zone Economic Development Bonds) (the “2010 Bonds”), payable from certain lease payments to be made by the City under a lease agreement;

WHEREAS, the City and Authority desire to finance the acquisition, construction, and installation of certain public capital improvements in the City, including a new Fire Station No. 81 and a Fire Protection District Training Facility located on the site of future Fire Station No. 80 (the “2021 Project”; and, together with the 2010 Project, the “Project”);

WHEREAS, the City and Authority desire to refinance all or a portion of the 2010 Project and finance all or a portion of the 2021 Project;

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the “Fontana Public Facilities Financing Authority Lease Revenue Bonds, Series 2021A” (collectively, the “Series 2021A Bonds”) for the purpose of refinancing the 2010 Project, the 2010 Bonds and the City’s related lease payments, and financing the 2021 Project;

WHEREAS, in order to facilitate the issuance of the Series 2021A Bonds, the City will lease certain real property and the improvements located thereon (the “Property”) to the Authority pursuant to a Ground Lease, dated as of the date hereof, and the City will sublease the Property back from the Authority pursuant to a Lease Agreement, dated as of the date hereof (the “Lease Agreement”);

WHEREAS, the Property is more particularly described in Exhibit A hereto;

WHEREAS, under the Lease Agreement, the City is obligated to make Base Rental Payments (as defined in the Lease Agreement) to the Authority;

WHEREAS, the Authority desires to assign without recourse certain of its rights in the Ground Lease and the Lease Agreement, including its right to receive the Base Rental Payments, to the Trustee

for the benefit of the owners of the Series 2021A Bonds to be issued pursuant to the Indenture, dated as of the date hereof (the “Indenture”), by and among the Authority, the City and the Trustee;

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Assignment Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Assignment Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Assignment. The Authority, for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby sell, assign and transfer to the Trustee, irrevocably and absolutely, without recourse, for the benefit of the owners of the Series 2021A Bonds, all of its right, title and interest in and to the Ground Lease and the Lease Agreement including, without limitation, its right to receive the Base Rental Payments to be paid by the City under and pursuant to the Lease Agreement; provided, however, that the Authority shall retain its obligations under the Lease Agreement and Ground Lease, the rights to indemnification, to give approvals and consents under the Lease Agreement and the Ground Lease and to payment or reimbursement of its reasonable costs and expenses under the Lease Agreement.

Section 2. Acceptance. The Trustee hereby accepts the foregoing assignment, subject to the terms and provisions of the Indenture, and all such Base Rental Payments shall be applied and the rights so assigned shall be exercised by the Trustee as provided in the Lease Agreement and the Indenture.

Section 3. Conditions. This Assignment Agreement shall impose no obligations upon the Trustee beyond those expressly provided in the Indenture.

Section 4. Further Assurances. The Authority shall make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Assignment Agreement, and for the better assuring and confirming to the Trustee, for the benefit of the owners of the Series 2021A Bonds, the rights intended to be conveyed pursuant hereto.

Section 5. Governing Law. THIS ASSIGNMENT AGREEMENT SHALL BE GOVERNED EXCLUSIVELY BY THE PROVISIONS HEREOF AND BY THE LAWS OF THE STATE OF CALIFORNIA AS THE SAME FROM TIME TO TIME EXIST.

Section 6. Execution. This Assignment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Assignment Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Assignment Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first above-written.

FONTANA PUBLIC FACILITIES FINANCING
AUTHORITY

By: _____
Mark Denny
Executive Director

ATTEST:

Tonia Lewis
Secretary

[SIGNATURES CONTINUED ON NEXT PAGE.]

[SIGNATURE PAGE CONTINUED.]

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____

Authorized Officer

STATE OF CALIFORNIA)
)
) ss.
COUNTY OF _____)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

439

STATE OF CALIFORNIA)
)
) ss.
COUNTY OF _____)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

440

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Ben L. Abernathy Police Facility

PARCEL NO. 1:

THE SOUTH 7.13 FEET OF LOT 20, ALL OF LOT 21, AND THE NORTH 42.67 FEET OF LOT 22, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 2:

LOT 8 AND THE NORTH 42.93 FEET OF LOT 9 AND THE SOUTH 7.07 FEET OF LOT 7, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 3:

THE NORTH 42.87 FEET OF LOT 20 AND THE SOUTH 7.13 FEET OF LOT 19, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE

VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 A 55438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 4:

THE NORTH 42.87 FEET OF LOT 19 AND THE SOUTH 7.13 FEET OF LOT 18, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 5:

THE SOUTH 7.07 FEET OF LOT 9 AND ALL OF LOTS 10 AND 11, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

APN: 192-031-10

APN: 192-031-11

APN: 192-031-12

APN: 192-031-13

APN: 192-031-14

Fire Station No. 71:

THAT PORTION OF BLOCK 17 OF TRACT NO. 2266, FONTANA, TOWNSITE, IN THE CITY OF FONTANA, PER MAP RECORDED IN BOOK 32, PAGES 43 THROUGH 53, INCLUSIVE, RECORDS OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SAID BLOCK 17, SAID POINT BEING SOUTH 89°44'00" WEST, 862.67 FEET OF THE SOUTHEAST CORNER OF

SAID BLOCK 17; THENCE NORTH 00°14'00" WEST PARALLEL WITH THE EASTERLY LINE OF SAID BLOCK 17, 247.57 FEET; THENCE NORTH 89°23'47" EAST, 240.55 FEET; THENCE SOUTH 00°14'00" EAST PARALLEL WITH THE EASTERLY LINE OF SAID BLOCK 17, 248.98 FEET TO THE SOUTHERLY LINE OF SAID BLOCK 17; THENCE SOUTH 89°44'00" WEST ALONG SAID SOUTHERLY LINE, 240.55 FEET TO THE POINT OF BEGINNING.

APN: 0192-042-26

APN: 0192-042-27

Fire Protection District Training Facility

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 1 NORTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 35;
THENCE ALONG THE NORTH LINE OF SAID SECTION 35, SOUTH 89°55'12" EAST, 950.74 FEET TO THE NORTHWESTERLY LINE OF THE LAND CONVEYED IN A DEED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN RECORDED JULY 31, 1991 AS INSTRUMENT NO. 91-290525, OFFICIAL RECORDS;
THENCE ALONG SAID NORTHWESTERLY LINE SOUTH 44° 23' 30" WEST, 579.12 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 44° 23' 30" WEST, 663.27 FEET;
THENCE NORTH 43° 47' 30" WEST, 31.95 FEET;
THENCE NORTH 00° 01' 56" EAST, 363.73 FEET;
THENCE NORTH 79° 49' 49" EAST, 493.66 FEET TO THE TRUE POINT OF BEGINNING.

APN: 0228-021-46

Fire Station No. 81

LOT E OF TRACT NO. 20213-1, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, AS PER MAP FILED ON JULY 9, 2019, IN BOOK 353, PAGES 55 THROUGH 60, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA.

EXCEPTING THEREFROM 1/2 INTEREST IN AND TO ALL OIL, MINERALS, ASPHALTUM AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM JAMES R. JOHNSON AND MILDRED E. JOHNSON, HUSBAND AND WIFE TO BERRY INVESTMENT CORPORATION, RECORDED NOVEMBER 25, 1957 IN BOOK 4376, PAGE 206 OF OFFICIAL RECORDS.

APN: 0239-932-37

\$ _____
FONTANA PUBLIC FACILITIES FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2021A

BOND PURCHASE AGREEMENT

_____, 2021

Fontana Public Facilities Financing Authority
8353 Sierra Avenue
Fontana, CA 92335
Attention: Executive Director

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

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”), hereby offers to enter into this Bond Purchase Agreement with you, the City of Fontana (the “**City**”) and the Fontana Public Facilities Financing Authority (the “**Authority**”), for the purchase by the Underwriter and the delivery by you of the Authority’s Lease Revenue Bonds, Series 2021A (the “**Bonds**”). The Bonds are being issued to (i) refinance all of the outstanding Fontana Public Financing Authority 2010 Lease Revenue Bonds (Taxable Recovery Zone Economic Development Bonds), (ii) finance the acquisition, construction, and installation of certain public capital improvements in the City, and (iii) pay the costs of issuing the Bonds. This offer is made subject to acceptance by you prior to 11:59 p.m., Los Angeles time, on the date hereof. Upon such acceptance, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon you and the Underwriter.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter agrees to purchase from the Authority all (but not less than all) of the \$_____ aggregate principal amount of the Bonds.

The purchase price for the Bonds shall be \$_____ (being the principal amount of the Bonds, plus original issue premium in the amount of \$_____ and less an Underwriter’s discount in the amount of \$_____).

The Bonds will be dated the date of delivery thereof and will have the maturities and bear interest at the rates set forth on Exhibit A hereto. The Bonds will be subject to redemption as set forth in the Indenture and Official Statement herein described. The Bonds will be issued in book-entry form only. It is anticipated that CUSIP identification numbers will be inserted on the Bonds, but neither the failure to provide such numbers nor any error with respect thereto shall constitute a cause for failure or refusal by the Underwriter to accept delivery of the Bonds in accordance with the terms of this Bond Purchase Agreement.

2. Authorizing Instruments and Law. The Bonds shall be issued pursuant to the provisions of a resolution (the “**Resolution**”) adopted by the Authority on September 28, 2021 authorizing the issuance of the Bonds and the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584, *et seq.* of the California Government Code (the “**JPA Act**”). The Bonds are issued pursuant to an Indenture, dated as of November 1, 2021 (the “**Indenture**”), among the Authority, the City and U.S. Bank National Association, as trustee (the “**Trustee**”), and shall be as described in the Indenture.

The Bonds are limited obligations of the Authority payable primarily from and secured by certain base rental payments (the “**Base Rental Payments**”) to be paid by the City pursuant to a Lease Agreement, dated as of November 1, 2021, between the City and the Authority (the “**Lease**”), for certain real property and the improvements thereon (the “**Leased Property**”).

3. Offering the Bonds. The Underwriter agrees to offer all the Bonds to the public initially at the prices (or yields) set forth on the cover pages of the Official Statement of the Authority pertaining to the Bonds, dated _____, 2021 (the Official Statement, together with all appendices thereto, and with such changes therein and supplements thereto, are herein called the “**Official Statement**”). Subsequent to the initial public offering of the Bonds, the Underwriter reserves the right to change the public offering prices (or yields) as they deem necessary in connection with the marketing of the Bonds. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. “Public Offering” shall include an offering to a number of institutional investors or registered investment companies, regardless of the number of such investors to which the Bonds are sold.

The City and the Authority acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction between the City, the Authority and the Underwriter, and that the Underwriter has financial and other interests that differ from those of the City and the Authority, (ii) in connection with such transaction the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the City and the Authority or any other person or entity and have not assumed a fiduciary responsibility in favor of the City or the Authority with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the City or the Authority on other matters), (iii) the only contractual obligations the Underwriter has to the City and the Authority with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement, except as otherwise provided by applicable rules and regulations of the SEC or the rules of the Municipal Securities Rulemaking Board (the “**MSRB**”) and (iv) the City and the Authority have consulted with their own legal and other professional advisors to the extent they deemed appropriate in connection with the offering of the Bonds. The City and the Authority acknowledge that they have previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the MSRB relating to disclosures concerning the Underwriter’s role in the transaction, disclosures concerning the Underwriter’s compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

4. Delivery of Official Statement. If requested by the Underwriter, the Authority shall deliver to the Underwriter two (2) copies of the Official Statement manually executed on behalf of the Authority and the City. The Authority shall also deliver copies of the Official Statement in such quantities as the Underwriter may reasonably request in order to enable the Underwriter to distribute a single copy of each Official Statement to any potential customer of the Underwriter requesting an Official Statement during the time period beginning when the Official Statement becomes available

and ending on the End Date (defined below). The Authority shall deliver these copies to the Underwriter within seven (7) business days after the execution of this Bond Purchase Agreement and in sufficient time to accompany or precede any sales confirmation that requests payment from any customer of the Underwriter. The Authority and the Underwriter hereby agree that the end of the underwriting period shall be the date of Closing (as defined below) unless the Underwriter informs the Authority in writing of a different end of the underwriting period.

“End Date” as used herein is that date which is the earlier of:

(a) twenty-five (25) days after the end of the underwriting period, as defined in SEC Rule 15c2-12 originally adopted by the Securities and Exchange Commission on June 28, 1989, as amended (“**Rule 15c2-12**”); or

(b) the time when the Official Statement becomes available from the MSRB, but in no event less than twenty-five (25) days after the underwriting period (as defined in Rule 15c2-12) ends.

The Underwriter acknowledges that the “End Date” will be the date of Closing unless the Underwriter otherwise notifies the Authority and the City in writing that the Underwriter still owns some or all of the Bonds.

The Authority and the City have authorized the use of the Official Statement in connection with the public offering of the Bonds. The Authority and the City also have consented to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement dated _____, 2021, relating to the Bonds in connection with the public offering of the Bonds, (which, together with all appendices thereto, is herein called the “**Preliminary Official Statement**”). Authorized officers of the City and the Authority have certified to the Underwriter that such Preliminary Official Statement was deemed to be final as of its date for purposes of Rule 15c2-12, with the exception of certain final pricing and related information referred to in Rule 15c2-12. The Underwriter has distributed a copy of each Preliminary Official Statement to potential customers on request.

5. The Closing. At 9:00 A.M., California time, on November __, 2021, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Authority, the City and the Underwriter, the Authority, upon receipt of the purchase price thereof, will deliver (i) the Bonds in book-entry form through the facilities of The Depository Trust Company (“**DTC**”), and (ii) the closing documents hereinafter mentioned at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California (“**Bond Counsel**”), or another place to be mutually agreed upon by the Authority, the City and the Underwriter. The Underwriter will accept such delivery from the Authority. The Underwriter will pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer of immediately available funds. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the “**Closing**.”

6. City Representations, Warranties and Covenants. The City represents, warrants and covenants to the Underwriter that:

(a) The City is a general law city organized and operating pursuant to the laws of the State of California (the “**State**”) with power and authority to enter into and perform its duties under the Lease, the Continuing Disclosure Certificate, dated the date of Closing (the “**Continuing Disclosure Certificate**”), the Ground Lease, dated as of November 1, 2021 (the “**Ground Lease**”),

between the City and the Authority, the Indenture, the Official Statement, the Escrow Agreement (2010 Bonds) (the “**Escrow Agreement**”) among the City, the Authority and U.S. Bank National Association, as escrow agent (the “**Escrow Agent**”) and this Bond Purchase Agreement (collectively, the “**City Documents**”).

(b) To the best knowledge of the City, neither the approval, execution and delivery of the City Documents, and compliance with the provisions on the City’s part contained therein, nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of the terms hereof and thereof, materially conflicts with or constitutes a material breach of or default under nor materially contravenes any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, nor does any such execution, delivery, adoption or compliance result in a security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the City Documents.

(c) The City Documents have been duly authorized, executed and delivered by the City, and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the City enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors’ rights generally, and by the application of equitable principles if sought, by the exercise of judicial discretion, and by the limitations on legal remedies imposed on actions against cities in the State.

(d) Except as may be required under blue sky or other securities laws of any state, there is no material consent, approval, authorization or other order of, or filing with, or certification by, any regulatory agency having jurisdiction over the City required for the execution and delivery of the Bonds or the consummation by the City of the other transactions contemplated by the Official Statement and this Bond Purchase Agreement.

(e) To the best of the knowledge of the City, there is, and on the Closing there will be, no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending (notice of which has been received by the City) or threatened against the City to restrain or enjoin the delivery of any of the Bonds, or the payments to be made pursuant to the Lease, or in any way contesting or affecting the validity of the City Documents or the Bonds or the authority of the City to approve this Bond Purchase Agreement, or enter into the City Documents or contesting the powers of the City to enter into or perform its obligations under any of the foregoing or in any way contesting the powers of the City in connection with any action contemplated by this Bond Purchase Agreement or to restrain or enjoin the execution, sale and delivery of the Bonds, contesting the completeness or accuracy of the Preliminary Official Statement as of its date or the Official Statement or any supplement or amendment thereto wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the City Documents to be executed by it or asserting that the Preliminary Official Statement as of its date or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of all the circumstances under which they were made, not misleading, or, except as described in the Preliminary Official Statement and the Official Statement, nor is there any basis for any such action, suit, proceeding or investigation.

(f) The Preliminary Official Statement provided to the Underwriter has been deemed final by the City, as required by Rule 15c2-12. As of the date thereof and at all times subsequent thereto up to and including the Closing, the information relating to the City, the Bonds, the Leased Property and the City Documents contained in the Official Statement was and will be materially complete for its intended purposes. The information relating to the City, the Bonds, the Leased Property and the City Documents contained in the Official Statement as of the date hereof is true and correct in all material respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect.

(g) The City agrees to cooperate with the Underwriter in endeavoring to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the City will not be required to execute a special or general consent to service of process in any jurisdiction in which it is not now so subject or to qualify to do business as a foreign corporation in any jurisdiction where it is not so qualified. The Underwriter shall be responsible for all costs relating to such qualification of the Bonds under blue sky or similar laws.

(h) By official action of the City prior to or concurrently with the execution hereof, the City has duly approved the distribution of the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the City Documents and the consummation by it of all other transactions contemplated by the Official Statement and this Bond Purchase Agreement.

(i) To the best knowledge of the City, it is not in any material respect in breach of or default under any material applicable law or administrative regulation of the State or the United States or any material applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject and in connection with which the City is obligated to make payments from its own funds, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument the consequence of which could materially and adversely affect the performance of the City under the City Documents.

(j) If between the date of this Bond Purchase Agreement and the End Date an event occurs, of which the City has knowledge, which might or would cause the information relating to the City, the City's finances, the Leased Property, or the City's functions, duties and responsibilities contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading in any material respect, the City will notify the Underwriter, and if, in the opinion of the Underwriter, the City or their respective legal counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will cooperate with the Underwriter in the preparation of an amendment or supplement to the Official Statement and all expenses thereof will be paid for by the City.

(k) If the information relating to the Leased Property, the City, its functions, duties and responsibilities contained in the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent

thereto up to and including the date of the Closing, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading in any material respect.

(l) Any certificate signed by a duly authorized official of the City and delivered to the Underwriter shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(m) As of the time of acceptance hereof and as of the Closing, the City does not and will not have outstanding any indebtedness which is payable from the City's general fund except as disclosed in the Official Statement.

(n) Between the date of this Bond Purchase Agreement and the date of Closing, the City will not, except as disclosed in the Official Statement, offer or issue any certificates, notes or other obligations for borrowed money in a material amount, or, other than in the normal course of its operations, incur any material liabilities, direct or contingent, secured by or payable from the City's general fund.

(o) The City will undertake, pursuant to the Continuing Disclosure Certificate, to provide or cause to be provided annual financial reports and notices of certain events; a description of this undertaking is set forth in the Official Statement. Except as disclosed in the Preliminary Official Statement and Official Statement, the City and its related entities have not failed to comply in any material respect with a continuing disclosure undertaking under Rule 15c2-12 during the previous five years.

(p) The City is the owner in fee of title of the Leased Property and no other governmental authority, person, firm or corporation can claim ownership to the Leased Property.

(q) As of the time of acceptance hereof and as of the Closing, the fair rental value of the Leased Property is not less than the annual scheduled Base Rental Payments due under the Lease.

(r) The financial statements of, and other financial information regarding the City in the Official Statement fairly present the financial position and results of the operations of the City as of the dates and for the periods therein set forth and the audited financial statements have been prepared in accordance with generally accepted accounting principles applicable to cities.

7. Authority Representations, Warranties and Covenants. The Authority represents, warrants and covenants to the City and the Underwriter that:

(a) The Authority is a joint powers authority, duly organized and existing under the Constitution (the "**Constitution**") and laws of the State, including the JPA Act, with full right, power and authority to enter into, execute and deliver the Authority Documents (defined below) and to perform its obligations hereunder.

(b) By all necessary official action, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in the Bond Purchase Agreement, the Bonds, the Indenture, the Lease, the Ground Lease,

the Escrow Agreement and the Assignment Agreement, dated as of November 1, 2021 (the “**Assignment Agreement**”), between the Authority and the Trustee (collectively, the “**Authority Documents**”), and has approved the use by the Underwriter of the Preliminary Official Statement, and the Official Statement and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered by the parties hereto, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable upon the Authority in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors rights generally, to the exercise of judicial discretion and to the limitations on legal remedies against joint powers authorities in California. The Authority has complied and will at the Closing, be in compliance in all material respects, with the terms of the Authority Documents.

(c) The Bonds, when issued in accordance with the Indenture, will be valid and binding limited obligations of the Authority, entitled to the benefits of the Indenture and enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally, to the exercise of judicial discretion and to the limitations on legal remedies against joint powers authorities in California.

(d) As of the time of acceptance hereof and as of the time of the Closing, except as otherwise disclosed in the Official Statement, to the best knowledge of the Authority, the Authority is not and will not be in any material respect in breach of or in default under any law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have an adverse effect on the Authority’s ability to perform its obligations under the Authority Documents; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Authority Documents and compliance by the Authority with the provisions thereof do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties under the terms of any such law, regulation or instrument except as provided in the Authority Documents.

(e) As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending (notice of which has been received by the Authority), or to the best knowledge of the Authority threatened against the Authority in any material respect:

(i) affecting the existence of the Authority or the titles of the officers of the Authority to their respective offices;

(ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Authority Documents or the consummation of the transactions on the part of the Authority contemplated thereby, or contesting the exclusion of the interest on the Bonds from Federal or State taxation, as applicable, or contesting the powers of the Authority or its authority to enter into the Lease and to pledge the Base Rental Payments for repayment of the Bonds;

(iii) which may result in any material adverse change relating to the financial condition of the Authority;

(iv) contesting the completeness or accuracy of the Preliminary Official Statement as of its date or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement as of its date or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of all the circumstances under which they were made, not misleading; or

(v) challenging the ability of the Authority to sell the Bonds to the Underwriter.

(f) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the blue sky laws or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and will use its best efforts to continue such qualification in effect so long as required for distribution of the Bonds; *provided however*, that in no event shall the Authority be required to take any action which would subject it to general or unlimited service of process in any jurisdiction in which it is not now so subject.

(g) Any certificate signed by a duly authorized officer of the Authority and delivered to the Underwriter shall be deemed to be a representation and warranty by the Authority to the Underwriter as to the statements made therein.

(h) As of the time of acceptance hereof and as of the date of Closing, except as otherwise disclosed in the Official Statement, the Authority has complied with the filing requirements of the JPA Act.

(i) The Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement from the delivery of the Official Statement to the End Date. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(j) Substantially all the proceeds from the sale of the Bonds (after deducting the expenses of issuance and sale of the Bonds paid for from such proceeds) will be used as set forth in the Indenture and as described in the Official Statement, and the Authority will not take or omit to take any action which action or omission will in any way cause the proceeds from the sale of the Bonds to

be applied in a manner contrary to that provided in the Indenture and the Lease, as amended from time to time.

(k) For a period beginning on the date hereof and continuing until the End Date, (a) the Authority will not adopt any amendment of, or supplement to, the Official Statement without prior consultation with the Underwriter and Kutak Rock LLP, counsel to the Underwriter (“**Underwriter’s Counsel**”) and (b) if any event relating to or affecting the Authority shall occur as a result of which it is necessary, in the opinion of the Underwriter, the City, or their respective legal counsel, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser of the Bonds, the Authority will cooperate with the Underwriter in the preparation of an amendment of, or supplement to, the Official Statement 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 of the Bonds, not misleading.

8. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority 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 B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority 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.

(b) Except as otherwise set forth in Exhibit A attached hereto, the Authority 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 Bond Purchase Agreement, the Underwriter shall report to the Authority 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 Authority 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 either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Authority 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.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase 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 Bond Purchase Agreement, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the close of the business day immediately following the date of this Bond Purchase Agreement) and (ii) the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority 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:

(A) the close of the fifth (5th) business day after the sale date; or

(B) 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 Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date 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 Closing Date may be reasonable periodic intervals or otherwise upon request of the Underwriter and (ii) to comply with the hold-the-offering-price rule, if applicable, 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 Date 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 Closing Date 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 Authority acknowledges that, in making the representation set forth in this section, 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 Authority 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:

a. “public” means any person other than an underwriter or a related party;

b. “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (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);

c. 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

d. “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

9. Closing Conditions. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations, warranties and covenants herein and the performance by the Authority and the City of their respective obligations hereunder, both as of the date hereof and as of

the date of the Closing. The Underwriter's obligations hereunder are and shall be subject to the following additional conditions:

(a) Bring-Down Representation. The representations, warranties and covenants of the Authority and the City contained herein shall be true and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing:

(i) the City Documents and the Authority Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the prior written consent of the Underwriter;

(ii) there shall be in full force and effect such resolutions (the "**Authorizing Resolutions**") as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions on the part of the Authority and the City contemplated by the City Documents and the Authority Documents;

(iii) the Authority shall perform or have performed its obligations required or specified in the Authority Documents to be performed at or prior to Closing;

(iv) the City shall perform or have performed its obligations required as specified in the City Documents to be performed at or prior to Closing; and

(v) the Official Statement shall not have been supplemented or amended, except pursuant to Paragraph 6(j) or 7(i), or as otherwise may have been agreed to in writing by the Underwriter.

(c) No Default. At the time of the Closing, no default shall have occurred or be existing under the Authority Documents or the City Documents and neither the Authority nor the City shall be in default in the payment of principal or interest on any of its bonded indebtedness or other obligations payable from the City's general fund which default shall adversely impact the ability of the Authority to make payments on the Bonds or the City to make payments pursuant to the Lease.

(d) Termination Events. The Underwriter shall have the right to terminate this Bond Purchase Agreement, without liability therefor, by written notification to the Authority and the City if at any time at or prior to the Closing the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall have been materially adversely affected in the reasonable judgment of the Underwriter (evidenced by a written notice to the City and the Authority terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(i) an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of the Authority Documents or the City Documents in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the

Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any Federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other Federal or State authority materially adversely affecting the Federal or State tax status of the Authority or the City, or the interest on bonds or notes or obligations of the general character of the Bonds; or

(ii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the States or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(iii) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(iv) the New York Stock Exchange or other national securities exchange, or any governmental or regulatory authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Underwriter; or

(v) a general banking moratorium shall have been established by federal or State authorities; or

(vi) there shall have occurred (i) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (ii) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

(vii) the commencement of any action, suit or proceeding described in Paragraphs 6(e) or 7(e) hereof; or

(viii) 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 Securities and Exchange Commission or any other governmental authority having jurisdiction; or

(ix) any event occurring or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue or incorrect in any material respect any statement or information contained in the Preliminary Official Statement or in the Official Statement or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(x) any rating of the Bonds or other obligations of the City shall have been downgraded, suspended or withdrawn or placed on negative outlook or negative watch by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(xi) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Authority or the City; or

(xii) any fact or event shall exist or have existed that requires or has required an amendment of or supplement to the Official Statement in which the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall have been materially adversely affected in the reasonable judgment of the Underwriter; or

(xiii) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(xiv) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets; or

(xv) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Bond Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act.

(e) Closing Documents. At or prior to the Closing, the Underwriter shall receive with respect to the Bonds (unless the context otherwise indicates) the following documents:

(1) Bond Opinion. The approving opinions of Bond Counsel dated the date of Closing and substantially in the forms included as APPENDIX E to the Official Statement and a reliance letter(s) thereon dated the date of Closing addressed to the Underwriter and the Trustee.

(2) Supplemental Opinion. A supplemental opinion of Bond Counsel dated the date of Closing, addressed to the Underwriter, in substantially the form attached hereto as Exhibit C.

(3) Negative Assurance Letter of Disclosure Counsel. A letter of Jones Hall, A Professional Law Corporation, Disclosure Counsel to the Authority and the City, dated the date of Closing and addressed to the Authority, the City, and the Underwriter to the effect that based upon their participation in the preparation of the Official Statement as Disclosure Counsel to the Authority and without having undertaken to determine independently the accuracy or completeness of the contents in the Official Statement, such counsel has no reason to believe that the Preliminary Official Statement (except for the completion of pricing information and any other matters or terms of the Bonds relating thereto) as of its date or as of the date of this Purchase Agreement or the Official Statement as of its date or as of the date of the Closing (except that no opinion need be expressed as to any financial, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, maps, estimates, projections, assumptions or expressions of opinion, any information about feasibility, valuation, appraisals, assessed values, market absorption, real estate, ownership, environmental or archaeological matters, Appendices A, B, C, D, or F thereto, or any information about book-entry, The Depository Trust Company, debt service requirements or tax exemption included or referred to therein, which may be expressly excluded from the scope of the opinions), contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(4) Municipal Advisor Certificate. A certificate of CSG Advisors Incorporated (“**CSG Advisors**”), dated the Closing Date and addressed to the Authority, the City and the Underwriter, to the effect that (i) CSG Advisors has reviewed the Preliminary Official Statement and the Official Statement and (ii) no information has come to its attention which would lead it to believe that the information contained in the Preliminary Official Statement, as of its date and as of the date of this Purchase Agreement and the Official Statement, as of its date and the Closing Date, is not true or correct in all material respects, or that the Preliminary Official Statement, as of its date and as of the date of this Purchase Agreement and the Official Statement, as of its date and the Closing Date contains any untrue statement of a material fact or omits to state a material fact where necessary to make a statement not misleading.

(5) Opinion of City Attorney. An opinion of the City Attorney, dated the date of the Closing and addressed to the Authority, the Trustee and the Underwriter, to the effect that:

(A) the City is a general law city duly organized and validly existing under the Constitution and laws of the State of California;

(B) the resolution of the City approving and authorizing the execution and delivery of the City Documents and approving and authorizing the issuance of the Bonds and the delivery of the Official Statement and other actions of the City was duly adopted at a meeting of the governing body of the City which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the resolution is now in full force and effect and has not been amended or superseded in any way;

(C) the City Documents have been duly authorized, executed and delivered by the City, and (assuming due execution and delivery by parties other than the City) are valid, legal and binding agreements of the City enforceable in accordance with their terms, except that

the rights and obligations under the City Documents are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State;

(D) the authorization, execution and delivery of the Bonds, the Official Statement, and the City Documents by the City and compliance with the provisions thereof by the City of its obligations thereunder, will not conflict with, or constitute a breach or default under, in any material respect, any law, administrative regulation, court decree, resolution, ordinance or other agreement to which the City is subject or by which it is bound; and

(E) to such counsel's knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the City has been served or, to such counsel's knowledge, threatened against or affecting the City, except as may be disclosed in the Official Statement, which would materially adversely impact the City's ability to complete the transactions contemplated by the City Documents, the Official Statement or any other document or certificate related to such transactions, restrain or enjoin the collection of Base Rental Payments with respect to the Lease, or in any way contesting or affecting the validity of the Bonds, the Official Statement or the City Documents.

(6) Authority Counsel Opinion. An opinion of counsel to the Authority, dated the date of the Closing and addressed to the City, the Trustee and the Underwriter, to the effect that:

(A) the Authority is a joint exercise of powers authority organized and existing under the laws of the State of California;

(B) the resolution of the Authority approving and authorizing the execution and delivery of the Authority Documents, the Bonds and the Official Statement and other actions of the Authority was duly adopted at a meeting of the governing body of the Authority which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the resolution is now in full force and effect and has not been amended or superseded in any way;

(C) the Authority Documents have been duly authorized, executed and delivered by the Authority, and (assuming due execution and delivery by parties other than the Authority) are valid, legal and binding agreements of the Authority enforceable in accordance with their terms, except that the rights and obligations under the Authority Documents are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State;

(D) to such counsel's knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the Authority has been served or, to the such counsel's knowledge, threatened against or affecting the Authority, except as may be disclosed in the Official Statement, which would materially adversely impact the Authority's ability to complete the transactions contemplated by the Authority Documents, the Official Statement or any other document or certificate related to such

transactions, restrain or enjoin the collection of Base Rental Payments with respect to the Lease, or in any way contesting or affecting the validity of the Bonds, the Official Statement, the Authority Documents or the transactions described in and contemplated thereby wherein an unfavorable decision, ruling or finding would materially adversely affect the validity and enforceability of the Bonds or the Authority Documents or in which a final adverse decision could materially adversely affect the operations of the Authority; and

(E) the execution and delivery of the Authority Documents and the issuance of the Bonds and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Authority is subject, which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents.

(7) Underwriter's Counsel Opinion. An opinion of Underwriter's Counsel, dated the date of the Closing addressed to the Underwriter, in such form as may be acceptable to the Underwriter.

(8) City Certificate. A certificate, dated the date of Closing, signed by a duly authorized official of the City satisfactory in form and substance to the Underwriter to the effect that: (a) the representations, warranties and covenants of the City contained in this Bond Purchase Agreement are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing; (b) the City has complied with all agreements, covenants and conditions to be complied with by the City at or prior to the Closing under the City Documents; (c) to the best of such official's knowledge, no event affecting the City has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing the statements or information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect.

(9) Authority Certificate. A certificate of the Authority, dated the date of the Closing, signed on behalf of the Authority by the Chair or other duly authorized officer of the Authority to the effect that (a) the representations, warranties and covenants of the Authority contained herein and in the Authority Documents are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing; (b) the Authority has complied with all agreements, covenants and conditions to be complied with by the Authority at or prior to the Closing under the Authority Documents and (c) to the best of such official's knowledge, no event affecting the Authority has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(10) Trustee and Escrow Agent's Certificate. A certificate of U.S. Bank National Association (the "**Bank**"), dated the Closing Date, in form and substance acceptable to the Authority, Bond Counsel, the Underwriter and Underwriter's Counsel.

(11) Bank Incumbency Certificate. A certified copy of a certificate of an officer of the Bank certifying as to the incumbency, signature and signing authority of the officers who

have executed and delivered the Indenture and Escrow Agreement and agreed to accept the duties of Trustee under the Indenture and Escrow Agent under the Escrow Agreement.

(12) Bank Counsel's Opinion. An opinion, dated the date of the Closing addressed to the Authority, the City and the Underwriter, of the Bank's Counsel, in form and content satisfactory to the Authority, Bond Counsel, the Underwriter and Underwriter's Counsel.

(13) Title Policy. A copy of a CLTA or ALTA title insurance policy in an amount equal to the principal amount of the Bonds, insuring the City's leasehold interest in the Leased Property, subject only to Permitted Encumbrances (as defined in the Lease) or such other acceptable encumbrances.

(14) Transcripts. An electronic transcript of the proceedings prepared by Bond Counsel relating to the authorization and issuance of the Bonds will be made available for download by the Underwriter in due course following the Closing.

(15) Official Statement. The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the Authority by a duly authorized officer of each.

(16) Documents. An original executed or certified copy of each of the Authority Documents, the City Documents and the Joint Exercise of Powers Agreement (the "**JPA Agreement**"), dated as of September 1, 2014, between the City and the Fontana Fire Protection District and any amendments thereto.

(17) City Resolution. Certified copy by the City Clerk, of each resolution of the City relating to the City Documents, the actions contemplated thereby, provided that such resolutions may be contained in the transcripts.

(18) Authority Resolution. Certified copy by the Secretary or Assistant Secretary of the Authority, of each resolution of the Authority relating to the Authority Documents, the Bonds and the transactions contemplated thereby, provided that such resolutions may be contained in the transcripts.

(19) IRS Form 8038-G. Evidence that the federal tax information form 8038 G has been prepared for filing.

(20) Tax Certificate. A Tax Certificate in a form satisfactory to Bond Counsel.

(21) Rating. Evidence as of the Closing satisfactory to the Underwriter that the Bonds have received the rating set forth in the Official Statement and that such rating has not been reduced or withdrawn.

(22) CDIAC Statement. A copy of the Notice of Final Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to section 53583 of the Government Code and section 8855(g) of the Government Code.

(23) Additional Documents. Such additional certificates, instruments and other documents as the Underwriter and Bond Counsel may reasonably deem necessary.

If the Authority or the City shall be unable to satisfy the conditions contained in this Bond Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement may be terminated by the Underwriter, and none of the Underwriter, the Authority or the City shall be under further obligation hereunder.

10. Expenses. Except as otherwise provided in this Section, the Underwriter shall be under no obligation to pay, and the Authority or the City shall pay or cause to be paid, the expenses incident to the performance of the obligations of the Authority and the City hereunder including but not limited to:

(a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the City Documents and the Authority Documents and the cost of preparing, printing, issuing and delivering the Bonds;

(b) the fees and disbursements of any counsel, municipal advisors, accountants, or other experts or consultants retained by the Authority or the City;

(c) the fees and disbursements of Bond Counsel and Disclosure Counsel;

(d) the cost of preparation and printing the Preliminary Official Statement and any supplements and amendments thereto and the cost of preparation and printing of the Official Statement, including a reasonable number of copies thereof for distribution by the Underwriter; and

(e) charges of rating agencies for the rating of the Bonds.

The Underwriter shall pay all expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds including, but not limited to: (i) the fees and disbursements of Underwriter's Counsel; and (ii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds (including other expenses, fees of the California Debt and Investment Advisory Commission, CUSIP Service Bureau fees, and any other fees and expenses), except as otherwise provided in the preceding paragraph or otherwise agreed to by the Underwriter, the Authority and the City in writing. Any meals in connection with or adjacent to meetings, rating agency presentations, pricing activities or other transaction-related activities shall be considered an expense of the transaction and included in the expense component of the Underwriter's discount.

11. Notice. Any notice or other communication to be given to the Underwriter may be given by delivering the same to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, Suite 3700, San Francisco, California 94104, Attention: Public Finance Department. Any notice or other communication to be given to the Authority or the City pursuant to this Bond Purchase Agreement may be given by delivering the same in writing to such entity, at the addresses set forth on the cover page hereof.

12. Entire Agreement. This Bond Purchase Agreement, when accepted by the Authority and the City, shall constitute the entire agreement among the Authority, the City and the Underwriter and is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns of any Underwriter). Except as provided in Section 16 below, no other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All the

Authority's and the City's representations, warranties and agreements in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, until the earlier of (a) delivery of and payment for the Bonds hereunder, and (b) any termination of this Bond Purchase Agreement.

13. Definitions. Terms not otherwise defined herein shall have the same meaning as when used in the Indenture or the Lease.

14. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

15. State of California Law Governs. The validity, interpretation and performance of the City Documents and the Authority Documents shall be governed by the laws of the State.

16. No Assignment. The rights and obligations created by this Bond Purchase Agreement shall not be subject to assignment by the Underwriter, the Authority or the City without the prior written consent of the other parties hereto.

17. Counterparts. This Bond Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____
Managing Director

The foregoing is hereby agreed to and accepted as of the date first above written:

**FONTANA PUBLIC FACILITIES FINANCING
AUTHORITY**

By: _____
Title: _____

Time of Execution: _____ p.m. California time

CITY OF FONTANA

By: _____
Title: _____

Time of Execution: _____ p.m. California time

[EXECUTION PAGE OF BOND PURCHASE AGREEMENT]

EXHIBIT A

MATURITY SCHEDULE

\$_____

**FONTANA PUBLIC FACILITIES FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2021A**

MATURITY SCHEDULE

Maturity (November 1)	Principal Amount	Interest Rate	Yield	Price	10% Test Satisfied*	10% Test Not Satisfied	Subject to Hold-The- Offering- Price Rule (<i>marked if used</i>)
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							

* At the time of execution of this Purchase Agreement and assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement.

EXHIBIT B

\$ _____

FONTANA PUBLIC FACILITIES FINANCING AUTHORITY LEASE REVENUE BONDS, SERIES 2021A

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (“Stifel”) hereby certify as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”).

1. ***Sale of the Bonds.*** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) *Issuer* means the Fontana Public Facilities Financing Authority.

(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 (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 or other third-party distribution agreement participating in the initial sale of the Bonds to the Public).

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 and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling Yocca Carlson & Rauth, a Professional Corporation 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:_____

Name:_____

By:_____

Name:_____

Dated: _____, 2021

Signature Page to Issue Price Certificate
Fontana Public Facilities Financing Authority
Lease Revenue Bonds, Series 2021A

SCHEDULE A
SALE PRICES
(to be attached)

EXHIBIT C

FONTANA PUBLIC FACILITIES FINANCING AUTHORITY LEASE REVENUE BONDS, SERIES 2021A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

Upon the initial issuance of the Bonds, Stradling Yocca Carlson & Rauth, Bond Counsel, proposes to deliver a supplemental opinion to the Underwriter in substantially the form set forth below:

[CLOSING DATE]

Stifel, Nicolaus & Company, Incorporated
Los Angeles, California

*Re: \$_____ Fontana Public Facilities Financing Authority Lease Revenue
 Bonds Series 2021A*

Ladies and Gentlemen:

On the date hereof, as Bond Counsel to the City of Fontana (the “City”) and the Fontana Public Facilities Financing Authority (the “Authority”), we have rendered to the City and the Authority our final legal opinion (the “Approving Opinion”) concerning the validity of \$_____ aggregate principal amount of Fontana Public Facilities Financing Authority Lease Revenue Bonds Series 2021A (the “Bonds”). You may rely upon our Approving Opinion as if it were addressed to you. Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in the Bond Purchase Agreement dated October __, 2021 (the “Purchase Agreement”), among the Authority, the City and Stifel, Nicolaus & Company, Incorporated (the “Underwriter”).

We have assumed, but not independently verified, that the signatures on all documents, letters, certificates and instructions which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto and that all representations made in the documents that we have reviewed are true and accurate.

We express no opinion herein with respect to any indemnification, contribution, choice of law, choice of forum, penalty or waiver provisions contained in the Bonds, the Indenture, the Ground Lease, the Lease Agreement or the Purchase Agreement, nor do we express any opinion with respect to the state or quality of title to any of the real or personal property described in the Ground Lease, the Lease Agreement or the Indenture, or the accuracy or sufficiency of the description of any such property contained therein.

Based upon the foregoing and such other information and documents as we consider necessary to render this opinion, we are of the opinion that:

(1) The Purchase Agreement has been duly authorized, executed and delivered by the Authority and the City and is a valid and binding agreement of the Authority and the City.

(2) The statements on the cover of the Official Statement and in the Official Statement under the captions “INTRODUCTION,” “THE SERIES 2021A BONDS,” “THE PROPERTY,”

“SECURITY FOR THE SERIES 2021A BONDS,” and “TAX MATTERS,” and in “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS” and “APPENDIX D – PROPOSED FORM OF OPINION OF BOND COUNSEL,” insofar as such statements expressly summarize certain provisions of the Indenture, the Lease Agreement, the Ground Lease and the final opinion of Bond Counsel concerning certain tax matters relating to the Bonds, are accurate in all material respects.

(3) The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Indenture is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. This opinion is limited to matters governed by the laws of the State of California and federal securities laws, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

We express no opinion herein regarding any tax consequences with respect to the Bonds. No opinion is expressed herein with respect to the compliance with, or applicability of, any “blue sky” laws of any state as they relate to the offer or sale of the Bonds.

We call attention to the fact that the foregoing opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or occur (or do not occur).

This opinion is furnished by us to you and is solely for your benefit, and may not be used, circulated, quoted or otherwise referred to or relied upon by others without our prior written consent. This letter is not intended to be, and may not be, relied upon by the owners of the Bonds or any beneficial ownership interest therein. You have acknowledged that no attorney-client relationship exists between us and you with respect to any matters related to the Bonds.

Our engagement with respect to the Bonds has concluded with their delivery, and we disclaim any obligation to update this opinion or other matters discussed in the Official Statement.

Respectfully submitted,

ESCROW AGREEMENT (2010 BONDS)

THIS ESCROW AGREEMENT, dated as of November 1, 2021, by and among the City of Fontana (the “City”), the Fontana Public Financing Authority (the “Authority”) and U.S. Bank National Association, acting in its capacity as escrow bank (the “Escrow Bank”) pursuant to this Escrow Agreement (2010 Bonds) (the “Agreement”) and as 2010 Trustee (as defined below);

WITNESSETH:

WHEREAS, the Authority has previously caused to be issued its 2010 Lease Revenue Bonds (Taxable Recovery Zone Economic Development Bonds) (the “2010 Bonds”), in the original aggregate principal amount of \$5,420,000, pursuant to an Indenture of Trust, dated as of November 1, 2010 (the “2010 Indenture”), by and between the Authority and U.S. Bank National Association, as trustee (the “2010 Trustee”), of which \$4,995,000 aggregate principal amount is currently outstanding; and

WHEREAS, the City and has determined that it is in its best interests and desirable that the 2010 Bonds be redeemed and defeased; and

WHEREAS, in order to accomplish such redemption it is necessary and desirable for the City to prepay a portion of its Lease Payment obligation under that certain Lease Agreement, dated as of November 1, 2010 (the “2010 Lease Agreement”), by and between the City and the Authority, and to thereby defease the 2010 Bonds in accordance with the terms of Section 10.01 of the 2010 Indenture and Section 5.10 of the 2010 Lease Agreement; and

WHEREAS, the City and the Fontana Public Facilities Financing Authority (the “Facilities Authority”) have agreed to provide funds necessary to secure redemption and defeasance of the 2010 Bonds through the issuance by the Facilities Authority of its \$_____ aggregate principal amount Fontana Public Facilities Financing Authority Lease Revenue Bonds, Series 2021A (the “Series 2021A Bonds”), secured in part by lease payments to be made by the City to the Facilities Authority pursuant to the Lease Agreement, dated as of November 1, 2021, by and between the City and the Facilities Authority; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the City, the Authority and the Escrow Bank agree as follows:

SECTION 1. Deposit of Moneys.

(a) The City and the Authority hereby deposit with the Escrow Bank \$_____ from the net proceeds of the Series 2021A Bonds and direct the 2010 Trustee to transfer \$_____ to the Escrow Bank from certain funds and accounts established in connection with the 2010 Bonds. Such moneys shall be held in irrevocable escrow by the Escrow Bank separate and apart from other funds of the City, the Authority, the Escrow Bank and the 2010 Trustee in a fund hereby created and established and to be known as the “Escrow Fund,” and shall be applied solely as provided in this Agreement. Such moneys are at least equal to an amount sufficient to redeem the 2010 Bonds maturing after September 1, 2021 on _____, 2021 (the “Redemption Date”) on the Redemption Date.

(b) [The Escrow Bank hereby acknowledges receipt of the opinion of Stradling Yocca Carlson & Rauth, dated _____, 2021, and relating to this Agreement with respect to the fact that the City's and the Authority's obligations under the 2010 Indenture with respect to the 2010 Bonds are defeased in the manner and to the extent provided in Section 10.01 of the 2010 Indenture and Section 5.10 of the 2010 Lease Agreement.]

SECTION 2. Use of Moneys. The Escrow Bank acknowledges receipt of the moneys described in Section 1 and agrees:

- (a) to deposit such moneys in the Escrow Fund; and
- (b) to make the payments required under Section 3(a) hereof at the times set forth in Section 3(a) hereof.

SECTION 3. Payment of 2010 Bonds.

(a) Payment. The Escrow Bank shall transfer from the Escrow Fund to the 2010 Trustee amounts sufficient to pay on the Redemption Date the redemption price of the 2010 Bonds maturing on and after the Redemption Date (as described in Schedule A attached hereto). The 2010 Trustee is hereby directed apply such moneys to redeem the 2010 Bonds on the Redemption Date.

(b) Unclaimed Moneys. Any moneys which remain unclaimed for two (2) years after the Redemption Date, shall, at the written request of the City, be repaid by the Escrow Bank to the City; provided, however, that the Escrow Bank shall first mail a notice as more fully described in the 2010 Indenture that said moneys remain unclaimed.

(c) Priority of Payments. The holders of the 2010 Bonds shall have a first lien on the moneys in the Escrow Fund which are allowable and sufficient to pay the 2010 Bonds until such moneys are used and applied as provided in this Agreement. Any cash held in the Escrow Fund is irrevocably pledged only to the 2010 Bond holders.

(d) Termination of Obligation. Upon deposit of the moneys set forth in Section 1 hereof with the Escrow Bank pursuant to the provisions of Section 1 hereof, the holders of the 2010 Bonds shall cease to be entitled to any lien, benefit or security under the 2010 Indenture.

SECTION 4. Performance of Duties. The Escrow Bank agrees to perform the duties set forth herein.

SECTION 5. Indemnity. The City and the Authority hereby assume liability for, and hereby agree (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Bank and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Bank at any time (whether or not also indemnified against the same by the City or the Authority or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein and any payment, transfer or other application of moneys or securities by

the Escrow Bank in accordance with the provisions of this Agreement; provided, however, that the City and the Authority shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct or the negligent or willful misconduct of the Escrow Bank's respective successors, assigns, agents and employees or the breach by the Escrow Bank of the terms of this Agreement. In no event shall the City, the Authority or the Escrow Bank be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement and the resignation or removal of the Escrow Bank.

SECTION 6. Responsibilities of the Escrow Bank. The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, the sufficiency of such moneys to accomplish the defeasance of the 2010 Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Bank in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the City and the Authority and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the moneys deposited in the Escrow Fund to accomplish the defeasance of the 2010 Bonds or to the validity of this Agreement as to the City and, except as otherwise provided herein, the Escrow Bank shall incur no liability with respect thereto. The Escrow Bank shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Agreement. In no event shall the Escrow Bank be liable for any special indirect or consequential damages. The Escrow Bank may consult with counsel, who may or may not be counsel to the City, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection with respect to any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the City or the Authority. The Escrow Bank shall incur no liability for losses arising from any investment made pursuant to this Agreement. No provision of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated, or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 7. Irrevocable Instructions to Provide Notice. The forms of the notices required to be mailed pursuant to Sections 4.03 and 10.03 of the Indenture and the Continuing Disclosure Agreement, dated as of November 1, 2010, between the City and the 2010 Trustee (the "Continuing Disclosure Agreement"), are substantially in the forms attached hereto as Exhibits A and B. The City and the Authority hereby irrevocably instruct the Escrow Bank to mail a notice of redemption

and a notice of defeasance of the 2010 Bonds in accordance with Sections 4.03 and 10.03 of the Indenture and Section 5(a) of the Continuing Disclosure Agreement.

SECTION 8. Amendments. This Agreement is made for the benefit of the City, the Authority and the holders from time to time of the 2010 Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Bank and the City; provided, however, but only after the receipt by the Escrow Bank of an opinion of nationally recognized bond counsel that the exclusion from gross income of interest with respect to the Series 2021A Bonds and the 2010 Bonds will not be adversely affected for federal income tax purposes, that the City, the Authority and the Escrow Bank may, without the consent of, or notice to, such holders, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Bank for the benefit of the holders of the 2010 Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Bank; and (iii) to include under this Agreement additional funds, securities or properties. The Escrow Bank shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized municipal bond attorneys with respect to compliance with this section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the 2010 Bonds or that any instrument executed hereunder complies with the conditions and provisions of this section.

SECTION 9. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either: (i) the date upon which the 2010 Bonds have been paid in accordance with this Agreement; or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Bank pursuant to Section 3(b) of this Agreement.

SECTION 10. Compensation. The Escrow Bank shall receive its reasonable fees and expenses as previously agreed to; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien nor will it assert a lien whatsoever on any moneys in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Bank under this Agreement.

SECTION 11. Resignation or Removal of Trustee as Escrow Bank.

(a) The Escrow Bank may resign by giving notice in writing to the City and the Authority. The Escrow Bank may be removed: (1) by: (i) filing with the City and the Authority an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of the 2010 Bonds then remaining unpaid; and (ii) the delivery of a copy of the instruments filed with the City and the Authority to the Escrow Bank; or (2) by a court of competent jurisdiction for failure to act in accordance with the provisions of this Agreement upon application by the City or the Authority or the holders of 5% in aggregate principal amount of the 2010 Bonds then remaining unpaid.

(b) If the position of Escrow Bank becomes vacant due to resignation or removal of the Escrow Bank or any other reason, a successor Escrow Bank may be appointed by the City and the Authority. Within one year after a vacancy, the holders of a majority in principal amount of the 2010 Bonds then remaining unpaid may, by an instrument or instruments filed with the City and the Authority, appoint a successor Escrow Bank who shall supersede any Escrow Bank theretofore

appointed by the City and the Authority. If no successor Escrow Bank is appointed by the City and the Authority or the holders of such 2010 Bonds then remaining unpaid, within 45 days after any such resignation or removal, the holder of any such 2010 Bonds or any retiring Escrow Bank may apply to a court of competent jurisdiction for the appointment of a successor Escrow Bank. The responsibilities of the Escrow Bank under this Escrow Agreement will not be discharged until a new Escrow Bank is appointed and until the cash held under this Escrow Agreement is transferred to the new Escrow Bank.

SECTION 12. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the City, the Authority or the Escrow Bank to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 13. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 14. Governing Law. This Agreement shall be construed under the laws of the State of California.

SECTION 15. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow Bank are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 16. Assignment. This Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the City.

SECTION 17. Standard and Poor's. The City agrees to provide to Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, prior notice of each amendment entered into pursuant to Section 8 hereof and a copy of such proposed amendment, and to forward a copy (as soon as possible) of: (i) each amendment hereto entered into pursuant to Section 8 hereof; and (ii) any action relating to severability or contemplated by Section 12 hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

CITY OF FONTANA

By: _____
City Manager

ATTEST:

By: _____
City Clerk

FONTANA PUBLIC FINANCING AUTHORITY

By: _____
Executive Director

ATTEST:

By: _____
Secretary

[SIGNATURES CONTINUED ON NEXT PAGE.]

[SIGNATURE PAGE CONTINUED.]

U.S. BANK NATIONAL ASSOCIATION, as Escrow
Bank and 2010 Trustee

By: _____
Authorized Officer

SCHEDULE A

2010 Bonds

<i>Maturity Date (September 1)</i>	<i>Interest Rate</i>	<i>Par Amount</i>	<i>Redemption Date</i>	<i>Call Price</i>
2030	8.213%	\$1,200,000	[to come]	100%
2042	8.413	3,795,000	[to come]	100

EXHIBIT A

NOTICE OF DEFEASANCE OF

FONTANA PUBLIC FINANCING AUTHORITY
2010 LEASE REVENUE BONDS
(TAXABLE RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

Notice is hereby given to the owners of the outstanding bonds (the “2010 Bonds”) captioned above: (i) that there has been deposited with U.S. Bank National Association, as Escrow Bank, moneys as permitted by the Indenture of Trust, dated as of November 1, 2010 (the “2010 Indenture”), by and between the Fontana Public Financing Authority (the “Authority”) and U.S. Bank National Association, as 2010 Trustee, which, together with such other moneys deposited with the Escrow Bank, shall be sufficient and available to pay on _____, 2021 the redemption price equal to 100% aggregate principal amount of the 2010 Bonds maturing on and after _____, 2021; and (ii) that the 2010 Bonds are deemed to be paid and that the 2010 Indenture and the pledge of Lease Payments (as such term is defined in the 2010 Indenture) and other assets made under the 2010 Indenture and all covenants, agreements and other obligations of the Authority under the 2010 Indenture have ceased, terminated, become void and been completely discharged and satisfied in accordance with Section 10.01 of the 2010 Indenture.

The obligations of the City of Fontana under the Continuing Disclosure Agreement dated November 1, 2010, by and between the City of Fontana and the 2010 Trustee have terminated as of the date hereof.

No representation is made as to the correctness of the CUSIP number either as printed on any of the 2010 Bonds or as contained herein and any error in the CUSIP number shall not affect the validity of the proceedings for redemption of the 2010 Bonds.

Dated this ____ day of _____, 2021.

FONTANA PUBLIC FINANCING AUTHORITY

U.S. BANK NATIONAL ASSOCIATION
as 2010 Trustee

EXHIBIT B

CONDITIONAL NOTICE OF FULL OPTIONAL REDEMPTION

FONTANA PUBLIC FINANCING AUTHORITY
2010 LEASE REVENUE BONDS
(TAXABLE RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “2010 Bonds”) pursuant to the Indenture of Trust, dated as of November 1, 2010, by and between the Fontana Public Financing Authority (the “Authority”) and U.S. Bank National Association, as trustee (the “2010 Trustee”), that 2010 Bonds in the principal amount of \$[4,995,000] have been called for redemption on _____, 2021 (the “Redemption Date”). The 2010 Bonds were originally issued on July 15, 2010 and are described in the following table.

<i>CUSIP</i>	<i>Maturity (June 1)</i>	<i>Rate</i>	<i>Principal Amount</i>	<i>Redemption Price</i>
344610 BX7	2030	8.213%	\$1,200,000	100%
344610 BY5	2042	8.413	3,795,000	100

The 2010 Bonds will be payable on the Redemption Date at a redemption price of 100% of the principal amount plus accrued interest to such date (the “Redemption Price”); provided, that such redemption is conditioned upon the timely delivery of the Redemption Price by the Authority to the Trustee for deposit in the Redemption Fund. The Redemption Price of the 2010 Bonds will become due and payable on the Redemption Date. Provided that moneys for redemption have been deposited with the Trustee, interest on the 2010 Bonds will cease to accrue and be payable from and after the Redemption Date, and such 2010 Bonds will be surrendered to the 2010 Trustee.

To receive payment on the Redemption Date, owners of the 2010 Bonds should present and to surrender said 2010 Bonds on the Redemption Date at the address of the 2010 Trustee set forth below:

Delivery Instructions

U.S. Bank National Association
Global Corporate Trust
111 Fillmore Avenue E
St. Paul, Minnesota 55107

REQUIREMENT INFORMATION

For a list of redemption requirements please visit our website at www.usbank.com/corporatetrust and click on the “Bondholder Information” link for Redemption instructions. You may also contact our Bondholder Communications team at 1-800-934-6802 Monday through Friday from 8 AM to 6 PM CST.

IMPORTANT NOTICE

Federal law requires the 2010 Trustee to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

If the owner of any 2010 Bond fails to deliver such 2010 Bond to the 2010 Trustee on the Redemption Date, such 2010 Bond shall nevertheless be deemed redeemed on the Redemption Date and the owner of such 2010 Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the 2010 Trustee for such payment.

Note: The Authority and the 2010 Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness in the notice or as printed on any 2010 Bond. They are included solely for the convenience of the holders.

U.S. BANK NATIONAL ASSOCIATION, as 2010
Trustee

_____, 2021

RECORDING REQUESTED BY:

Fontana Public Facilities Financing Authority

AND WHEN RECORDED RETURN TO:

Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Vanessa S. Legbandt, Esq.

[Space above for Recorder's use.]

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11921 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

THE GRANTOR AND THE GRANTEE ARE GOVERNMENTAL AGENCIES.

GROUND LEASE

by and between

CITY OF FONTANA

and

FONTANA PUBLIC FACILITIES FINANCING AUTHORITY

Dated as of November 1, 2021

Relating to

\$_____

**FONTANA PUBLIC FACILITIES FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2021A**

GROUND LEASE

THIS GROUND LEASE (this “Ground Lease”), executed and entered into as of November 1, 2021, is by and between the CITY OF FONTANA (the “City”), a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California, as lessor, and the FONTANA PUBLIC FACILITIES FINANCING AUTHORITY (the “Authority”), a joint exercise of powers entity duly organized and existing under the laws of the State of California, as lessee.

WITNESSETH:

WHEREAS, the City previously financed a portion of the costs of the acquisition, construction and installation of certain public capital improvements in the City including Fire Station No. 71, as more fully described in the proceedings for the issuance of the 2010 Bonds (defined below) (the “2010 Project”);

WHEREAS, the City determined to provide the funds necessary to finance the acquisition, construction and installation of the 2010 Project through issuance by the Fontana Public Financing Authority of its 2010 Lease Revenue Bonds (Taxable Recovery Zone Economic Development Bonds) (the “2010 Bonds”), payable from certain lease payments to be made by the City under a lease agreement;

WHEREAS, the City and the Authority desire to finance the acquisition, construction, and installation of certain public capital improvements in the City, including a new Fire Station No. 81 and a Fire Protection District Training Facility located on the site of future Fire Station No. 80 (collectively, the “2021 Project”; and, together with the 2010 Project, the “Project”);

WHEREAS, the City and Authority desire to refinance all or a portion of the 2010 Project and finance all or a portion of the 2021 Project;

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the “Fontana Public Facilities Financing Authority Lease Revenue Bonds, Series 2021A” (the “Series 2021A Bonds”) for the purpose of refinancing the 2010 Project, the 2010 Bonds and the City’s related lease payments, and financing the 2021 Project;

WHEREAS, in order to facilitate the issuance of the Series 2021A Bonds, the City will lease certain real property and the improvements located thereon (the “Property”) to the Authority pursuant to this Ground Lease, dated as of the date hereof, and the City will sublease the Property back from the Authority pursuant to the Lease Agreement (the “Lease Agreement”);

WHEREAS, the Property is more particularly described in Exhibit A hereto;

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide the funds necessary to refinance all or a portion of the 2010 Project and finance all or a portion of the 2021 Project through the issuance by the Authority of the Series 2021A Bonds payable from the base rental payments (the “Base Rental Payments”) to be made by the City under the Lease Agreement;

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide for the issuance of such bonds payable from the Base Rental Payments pursuant to an Indenture, dated as of the date hereof, by and among the Authority, the City and U.S. Bank National Association, as trustee (the “Trustee”);

WHEREAS, all rights to receive the Base Rental Payments have been assigned without recourse by the Authority to the Trustee pursuant to an Assignment Agreement, dated as of the date hereof (the “Assignment Agreement”);

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Ground Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Ground Lease;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Except as otherwise defined herein, or unless the context clearly otherwise requires, words and phrases defined in Article I of the Lease Agreement shall have the same meaning in this Ground Lease.

ARTICLE II

LEASE OF THE PROPERTY; RENTAL

Section 2.01 Lease of Property. The City hereby leases to the Authority, and the Authority hereby leases from the City, for the benefit of the Owners of the Bonds, the Property, subject only to Permitted Encumbrances, to have and to hold for the term of this Ground Lease.

Section 2.02 Rental. The Authority shall pay to the City as and for rental of the Property hereunder, the sum of \$1.00, the receipt of which is hereby acknowledged.

ARTICLE III

QUIET ENJOYMENT

The parties intend that the Property will be leased back to the City pursuant to the Lease Agreement for the term thereof. It is further intended that, to the extent provided herein and in the Lease Agreement, if an event of default occurs under the Lease Agreement, the Authority, or its assignee, will have the right, for the then remaining term of this Ground Lease to (a) take possession of the Property, (b) if it deems it appropriate, cause an appraisal of the Property and a study of the then reasonable use thereof to be undertaken, and (c) relet the Property. Subject to any rights the City may have under the Lease Agreement (in the absence of an event of default) to possession and enjoyment of the Property, the City hereby covenants and agrees that it will not take any action to prevent the Authority from having quiet and peaceable possession and enjoyment of the Property during the term

hereof and will, at the request of the Authority and at the City's cost, to the extent that it may lawfully do so, join in any legal action in which the Authority asserts its right to such possession and enjoyment.

ARTICLE IV

SPECIAL COVENANTS AND PROVISIONS

Section 4.01 Waste. The Authority agrees that at all times that it is in possession of the Property, it will not commit, suffer or permit any waste on the Property, and that it will not willfully or knowingly use or permit the use of the Property for any illegal purpose or act.

Section 4.02 Further Assurances and Corrective Instruments. The City and the Authority agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Ground Lease, the Indenture and the Lease Agreement.

Section 4.03 Waiver of Personal Liability. All liabilities under this Ground Lease on the part of the Authority shall be solely liabilities of the Authority as a joint exercise of powers entity, and the City hereby releases each and every director, officer and employee of the Authority of and from any personal or individual liability under this Ground Lease. No director, officer or employee of the Authority shall at any time or under any circumstances be individually or personally liable under this Ground Lease to the City or to any other party whomsoever for anything done or omitted to be done by the Authority hereunder.

All liabilities under this Ground Lease on the part of the City shall be solely liabilities of the City as a public corporation, and the Authority hereby releases each and every member, officer and employee of the City of and from any personal or individual liability under this Ground Lease. No member, officer or employee of the City shall at any time or under any circumstances be individually or personally liable under this Ground Lease to the Authority or to any other party whomsoever for anything done or omitted to be done by the City hereunder.

Section 4.04 Taxes. The City covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Property.

Section 4.05 Right of Entry. The City reserves the right for any of its duly authorized representatives to enter upon the Property at any reasonable time to inspect the same.

Section 4.06 Representations of the City. The City represents and warrants to the Authority and the Trustee as follows:

(a) the City has the full power and authority to enter into, to execute and to deliver this Ground Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Ground Lease;

(b) except for Permitted Encumbrances, the Property is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or

encumbrance which would prohibit or materially interfere with the use of the Property for governmental purposes as contemplated by the City;

(c) all taxes, assessments or impositions of any kind with respect to the Property, except current taxes, have been paid in full; and

(d) the Property is necessary to the City in order for the City to perform its governmental functions.

Section 4.07 Representations of the Authority. The Authority represents and warrants to the City and the Trustee that the Authority has the full power and authority to enter into, to execute and to deliver this Ground Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution and delivery of this Ground Lease.

ARTICLE V

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 5.01 Assignment and Subleasing. This Ground Lease may be sold or assigned and the Property subleased, as a whole or in part, by the Authority without the necessity of obtaining the consent of the City, if an event of default occurs under the Lease Agreement. The Authority shall, within 30 days after such an assignment, sale or sublease, furnish or cause to be furnished to the City a true and correct copy of such assignment, sale or sublease, as the case may be.

Section 5.02 Restrictions on City. The City agrees that, except with respect to Permitted Encumbrances, it will not mortgage, sell, encumber, assign, transfer or convey the Property or any portion thereof during the term of this Ground Lease.

ARTICLE VI

TERM; TERMINATION

Section 6.01 Term. The term of this Ground Lease shall commence as of the date of commencement of the term of the Lease Agreement and shall remain in full force and effect from such date to and including November 1, 2051, unless such term is extended or sooner terminated as hereinafter provided. Notwithstanding the foregoing, the term of this Ground Lease shall automatically terminate on November 1, 2042 with respect to the portion of the Property designated as Fire Station No. 71 on Exhibit A hereto.

Section 6.02 Extension; Early Termination. If, on November 1, 2051, the Bonds shall not be fully paid, or provision therefor made in accordance with Article X of the Indenture, or the Indenture shall not be discharged by its terms, or if the Rental Payments payable under the Lease Agreement shall have been abated at any time, then the term of this Ground Lease shall be automatically extended until the date upon which all Bonds shall be fully paid, or provision therefor made in accordance with Article X of the Indenture, and the Indenture shall be discharged by its terms, except that the term of this Ground Lease shall in no event be extended more than ten years. If, prior to November 1, 2051, all Bonds shall be fully paid, or provisions therefor made in accordance with Article X of the Indenture, and the Indenture shall be discharged by its terms, the term of this Ground Lease shall end simultaneously therewith.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Binding Effect. This Ground Lease shall inure to the benefit of and shall be binding upon the City, the Authority and their respective successors and assigns.

Section 7.02 Severability. In the event any provision of this Ground Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 7.03 Amendments, Changes and Modifications. This Ground Lease may be amended, changed, modified, altered or terminated only in accordance with the provisions of the Lease Agreement.

Section 7.04 Assignment to Trustee. The Authority and City acknowledge that the Authority has assigned its right, title and interest in and to this Ground Lease (but none of its obligations and none of its rights to provide consents or approvals hereunder) to the Trustee pursuant to certain provisions of the Assignment Agreement. The City consents to such assignment.

Section 7.05 Execution In Counterparts. This Ground Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7.06 Applicable Law. This Ground Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 7.07 [2021 Insurer as Third Party Beneficiary.] The 2021 Insurer is recognized as and shall be deemed to be a third party beneficiary of this Ground Lease and may enforce the provisions of this Ground Lease as if it were a party hereto.]

Section 7.08 Captions. The captions or headings in this Ground Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Ground Lease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the Authority and the City have caused this Ground Lease to be executed by their respective officers hereunto duly authorized, all as of the day and year first above written.

CITY OF FONTANA

By: _____
Mark Denny
City Manager

ATTEST:

Tonia Lewis
City Clerk

FONTANA PUBLIC FACILITIES FINANCING
AUTHORITY

By: _____
Mark Denny
Executive Director

ATTEST:

Tonia Lewis
Secretary

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in the Property conveyed under the foregoing to the City of Fontana, a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and the laws of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the City Council of the City of Fontana, pursuant to authority conferred by resolution of the said City Council adopted on September 28, 2021, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____, 2021

CITY OF FONTANA

By: _____
Mark Denny
City Manager

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)
)
) SS.
COUNTY OF _____)

On _____ before me, _____, Notary Public,

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

STATE OF CALIFORNIA)
)
) ss.
COUNTY OF _____)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

491

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Ben L. Abernathy Police Facility

PARCEL NO. 1:

THE SOUTH 7.13 FEET OF LOT 20, ALL OF LOT 21, AND THE NORTH 42.67 FEET OF LOT 22, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 2:

LOT 8 AND THE NORTH 42.93 FEET OF LOT 9 AND THE SOUTH 7.07 FEET OF LOT 7, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 3:

THE NORTH 42.87 FEET OF LOT 20 AND THE SOUTH 7.13 FEET OF LOT 19, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE

VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 A 55438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 4:

THE NORTH 42.87 FEET OF LOT 19 AND THE SOUTH 7.13 FEET OF LOT 18, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 5:

THE SOUTH 7.07 FEET OF LOT 9 AND ALL OF LOTS 10 AND 11, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

APN: 192-031-10

APN: 192-031-11

APN: 192-031-12

APN: 192-031-13

APN: 192-031-14

Fire Station No. 71:

THAT PORTION OF BLOCK 17 OF TRACT NO. 2266, FONTANA, TOWNSITE, IN THE CITY OF FONTANA, PER MAP RECORDED IN BOOK 32, PAGES 43 THROUGH 53, INCLUSIVE, RECORDS OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SAID BLOCK 17, SAID POINT BEING SOUTH 89°44'00" WEST, 862.67 FEET OF THE SOUTHEAST CORNER OF

SAID BLOCK 17; THENCE NORTH 00°14'00" WEST PARALLEL WITH THE EASTERLY LINE OF SAID BLOCK 17, 247.57 FEET; THENCE NORTH 89°23'47" EAST, 240.55 FEET; THENCE SOUTH 00°14'00" EAST PARALLEL WITH THE EASTERLY LINE OF SAID BLOCK 17, 248.98 FEET TO THE SOUTHERLY LINE OF SAID BLOCK 17; THENCE SOUTH 89°44'00" WEST ALONG SAID SOUTHERLY LINE, 240.55 FEET TO THE POINT OF BEGINNING.

APN: 0192-042-26

APN: 0192-042-27

Fire Protection District Training Facility

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 1 NORTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 35;
THENCE ALONG THE NORTH LINE OF SAID SECTION 35, SOUTH 89°55'12" EAST, 950.74 FEET TO THE NORTHWESTERLY LINE OF THE LAND CONVEYED IN A DEED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN RECORDED JULY 31, 1991 AS INSTRUMENT NO. 91-290525, OFFICIAL RECORDS;
THENCE ALONG SAID NORTHWESTERLY LINE SOUTH 44° 23' 30" WEST, 579.12 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 44° 23' 30" WEST, 663.27 FEET;
THENCE NORTH 43° 47' 30" WEST, 31.95 FEET;
THENCE NORTH 00° 01' 56" EAST, 363.73 FEET;
THENCE NORTH 79° 49' 49" EAST, 493.66 FEET TO THE TRUE POINT OF BEGINNING.

APN: 0228-021-46

Fire Station No. 81

LOT E OF TRACT NO. 20213-1, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, AS PER MAP FILED ON JULY 9, 2019, IN BOOK 353, PAGES 55 THROUGH 60, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA.

EXCEPTING THEREFROM 1/2 INTEREST IN AND TO ALL OIL, MINERALS, ASPHALTUM AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM JAMES R. JOHNSON AND MILDRED E. JOHNSON, HUSBAND AND WIFE TO BERRY INVESTMENT CORPORATION, RECORDED NOVEMBER 25, 1957 IN BOOK 4376, PAGE 206 OF OFFICIAL RECORDS.

APN: 0239-932-37

INDENTURE

by and among

FONTANA PUBLIC FACILITIES FINANCING AUTHORITY

and

CITY OF FONTANA

and

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

Dated as of November 1, 2021

Relating to

\$_____

**FONTANA PUBLIC FACILITIES FINANCING AUTHORITY
LEASE REVENUE BONDS SERIES 2021A**

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS; EQUAL SECURITY

Section 1.01	Definitions.....	2
Section 1.02	Equal Security	13

ARTICLE II THE BONDS

Section 2.01	Authorization of Bonds.....	14
Section 2.02	Terms of Series 2021A Bonds	14
Section 2.03	Form of Series 2021A Bonds.....	16
Section 2.04	Transfer and Exchange of Bonds	16
Section 2.05	Registration Books	16
Section 2.06	Execution of Bonds.....	16
Section 2.07	Authentication of Bonds	17
Section 2.08	Temporary Bonds.....	17
Section 2.09	Bonds Mutilated, Lost, Destroyed or Stolen.....	17
Section 2.10	Book-Entry Bonds	17

ARTICLE III ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01	Issuance of Series 2021A Bonds.....	19
Section 3.02	Application of Proceeds of the Series 2021A Bonds.....	19
Section 3.03	[Reserved]	19
Section 3.04	Costs of Issuance Fund	19
Section 3.05	Project Fund	20
Section 3.06	Conditions for the Issuance of Additional Bonds	20
Section 3.07	Procedure for the Issuance of Additional Bonds	21
Section 3.08	Additional Bonds	22

ARTICLE IV REDEMPTION OF BONDS

Section 4.01	Redemption of Series 2021A Bonds.....	22
Section 4.02	Notice of Redemption	23
Section 4.03	Selection of Bonds for Redemption	24
Section 4.04	Partial Redemption of Bonds	24
Section 4.05	Effect of Notice of Redemption	24

ARTICLE V SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS

Section 5.01	Pledge; Special Obligations	25
Section 5.02	Flow of Funds	25
Section 5.03	Application of Net Insurance Proceeds.....	26
Section 5.04	Title Insurance	27
Section 5.05	Rebate Fund	27
Section 5.06	Investment of Moneys.....	29

TABLE OF CONTENTS
(continued)

Page

ARTICLE VI
COVENANTS

Section 6.01	Compliance with Agreements.....	30
Section 6.02	Compliance with Ground Lease and Lease Agreement.....	30
Section 6.03	Observance of Laws and Regulations.....	30
Section 6.04	Other Liens.....	30
Section 6.05	Prosecution and Defense of Suits	31
Section 6.06	Accounting Records and Statements.....	31
Section 6.07	Recordation and Filing.....	31
Section 6.08	Tax Covenants	31
Section 6.09	Continuing Disclosure	32
Section 6.10	Further Assurances.....	32

ARTICLE VII
DEFAULT AND LIMITATIONS OF LIABILITY

Section 7.01	Action on Default.....	32
Section 7.02	Other Remedies of the Trustee.....	33
Section 7.03	Non-Waiver.....	33
Section 7.04	Remedies Not Exclusive	33
Section 7.05	No Liability by the Authority to the Owners	33
Section 7.06	No Liability by the City to the Owners.....	34
Section 7.07	No Liability of the Trustee to the Owners	34
Section 7.08	Application of Amounts After Default	34
Section 7.09	Trustee May Enforce Claims Without Possession of Bonds	34
Section 7.10	Limitation on Suits.....	34
Section 7.11	Consent of 2021 Insurer.....	35
Section 7.12	[2021 Insurer as Owner.....	35
Section 7.13	[Special Provision for Insurer Default	35

ARTICLE VIII
THE TRUSTEE

Section 8.01	Employment of the Trustee.....	36
Section 8.02	Duties, Removal and Resignation of the Trustee.....	36
Section 8.03	Compensation of the Trustee	37
Section 8.04	Protection of the Trustee	37

ARTICLE IX
MODIFICATION OR AMENDMENTS

Section 9.01	Modifications and Amendments Permitted.....	39
Section 9.02	Effect of Supplemental Indenture	41
Section 9.03	Endorsement of Bonds; Preparation of New Bonds	41
Section 9.04	Amendment of Particular Bonds.....	41

TABLE OF CONTENTS

(continued)

Page

ARTICLE X DEFEASANCE

Section 10.01	Discharge of Indenture.....	41
Section 10.02	Bonds Deemed To Have Been Paid.....	42
Section 10.03	Payment of Bonds After Discharge of Indenture.....	43

ARTICLE XI MISCELLANEOUS

Section 11.01	Benefits of Indenture Limited to Parties	43
Section 11.02	Successor Deemed Included in all References to Predecessor	43
Section 11.03	Execution of Documents by Owners	43
Section 11.04	Waiver of Personal Liability	44
Section 11.05	Destruction of Bonds	44
Section 11.06	Funds and Accounts.....	44
Section 11.07	Article and Section Headings Gender and References	44
Section 11.08	Partial Invalidity.....	44
Section 11.09	Disqualified Bonds.....	45
Section 11.10	Money Held for Particular Bonds	45
Section 11.11	Payment on Non-Business Days	45
Section 11.12	California Law	45
Section 11.13	Notices	46
Section 11.14	Notice to Rating Agencies	46
Section 11.15	Execution in Counterparts.....	46
Section 11.16	Payment Procedure Under the Policy	46
Section 11.17	[2021 Insurer as Third Party Beneficiary.....	46
Signatures	S-1
EXHIBIT A	FORM OF SERIES 2021A BOND.....	A-1
EXHIBIT B	FORM OF PROJECT FUND REQUISITION	B-1

INDENTURE

THIS INDENTURE (this “Indenture”), executed and entered into as of November 1, 2021, is by and among the FONTANA PUBLIC FACILITIES FINANCING AUTHORITY, a joint exercise of powers entity duly organized and existing under the laws of the State of California (the “Authority”), the CITY OF FONTANA, a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California (the “City”) and U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States, as Trustee (the “Trustee”);

WITNESSETH:

WHEREAS, the City previously financed a portion of the costs of the acquisition, construction and installation of certain public capital improvements in the City including Fire Station No. 71, as more fully described in the proceedings for the issuance of the 2010 Bonds (defined below) (the “2010 Project”);

WHEREAS, in order to accomplish such financing, the City determined to provide the funds necessary to finance the acquisition, construction and installation of the 2010 Project through issuance by the Fontana Public Financing Authority of its 2010 Lease Revenue Bonds (Taxable Recovery Zone Economic Development Bonds) (the “2010 Bonds”), payable from certain lease payments to be made by the City under a lease agreement;

WHEREAS, the City and Authority desire to finance the acquisition, construction, and installation of certain public capital improvements in the City, including a new Fire Station No. 81 and a Fire Protection District Training Facility located on the site of future Fire Station No. 80 (collectively, the “2021 Project”; and, together with the 2010 Project, the “Project”);

WHEREAS, the City and Authority desire to refinance all or a portion of the 2010 Project and finance all or a portion of the 2021 Project;

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the “Fontana Public Facilities Financing Authority Lease Revenue Bonds, Series 2021A” (the “Series 2021A Bonds”) for the purpose of refinancing the 2010 Project, the 2010 Bonds and the City’s related lease payments, and financing the 2021 Project;

WHEREAS, in order to facilitate the issuance of the Series 2021A Bonds, the City will lease certain real property and the improvements located thereon (the “Property”) to the Authority pursuant to a Ground Lease, dated as of the date hereof, and the City will sublease the Property back from the Authority pursuant to a Lease Agreement, dated as of the date hereof (the “Lease Agreement”);

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide the funds necessary to refinance all or a portion of the 2010 Project and finance all or a portion of the 2021 Project through the issuance by the Authority of the Series 2021A Bonds payable from the base rental payments (the “Base Rental Payments”) to be made by the City under the Lease Agreement;

WHEREAS, all rights to receive the Base Rental Payments have been assigned without recourse by the Authority to the Trustee pursuant to an Assignment Agreement, dated as of the date hereof;

WHEREAS, the Series 2021A Bonds will be payable equally and ratably from the Base Rental Payments;

WHEREAS, the Authority and the City desire to provide for the issuance of additional bonds (the “Additional Bonds”) payable from the Base Rental Payments on a parity with the Series 2021A Bonds (the Series 2021A Bonds and any such Additional Bonds being collectively referred to as the “Bonds”);

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Authority and the City have authorized the execution and delivery of this Indenture; and

WHEREAS, the Authority and the City have determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture has been in all respects duly authorized;

NOW THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties do hereby agree as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any amendment hereof or supplement hereto and of the Bonds and of any certificate, opinion, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Lease Agreement.

“**Additional Bonds**” means Bonds other than the Series 2021A Bonds issued hereunder in accordance with the provisions of Sections 3.06 and 3.07 hereof.

“**Act**” means the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code.

“**Additional Rental Payments**” means all amounts payable by the City as Additional Rental Payments pursuant to Section 3.02 of the Lease Agreement.

“**Assignment Agreement**” means the Assignment Agreement, dated as of the date hereof, by and between the Authority and the Trustee, as amended and supplemented from time to time.

“Authority” means the Fontana Public Facilities Financing Authority, a joint exercise of powers entity organized and existing under and by virtue of the laws of the State of California.

“Authorized Authority Representative” means the Chairperson, Vice Chairperson, Executive Director, Treasurer and Secretary of the Authority, or any other person authorized by the Board of Commissioners of the Authority to act on behalf of the Authority under or with respect to this Indenture.

“Authorized City Representative” means the Mayor of the City, the Mayor Pro Tem of the City, the City Manager of the City, the Management Services Director or the Finance Director of the City or the City Clerk, or any other person authorized by the City Council of the City to act on behalf of the City under or with respect to this Indenture.

“Authorized Denominations” means \$5,000 or any integral multiple thereof.

“Base Rental Payment Fund” means the fund by that name established in accordance with Section 5.02 hereof.

“Base Rental Payments” means all amounts payable to the Authority by the City as Base Rental Payments pursuant to Section 3.01 of the Lease Agreement.

“Beneficial Owner” means, whenever used with respect to a Book-Entry Bond, the person whose name is recorded as the beneficial owner of such Book-Entry Bond or a portion of such Book-Entry Bond by a Participant on the records of such Participant or such person’s subrogee.

“Bonds” means the Series 2021A Bonds and any Additional Bonds issued hereunder.

“Book-Entry Bonds” means the Bonds of a Series registered in the name of the nominee of DTC, or any successor securities depository for such Series of Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 2.10 hereof.

“Business Day” means a day which is not (a) a Saturday, Sunday or legal holiday, (b) a day on which banking institutions in the State of California, or in any state in which the Office of the Trustee is located, are required or authorized by law (including executive order) to close, or (c) a day on which the New York Stock Exchange is closed.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to a Series of Book-Entry Bonds.

“City” means the City of Fontana, a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California.

“Closing Date” means _____, 2021.

“Code” means the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate, dated as of the date hereof, executed by the City, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“Costs of Issuance” means all the costs of issuing and delivering the Bonds, including, but not limited to, all printing and document preparation expenses in connection with this Indenture, the Lease Agreement, the Ground Lease, the Assignment Agreement, the Bonds and any preliminary official statement and final official statement pertaining to the Bonds, rating agency fees, CUSIP Service Bureau charges, market study fees, legal fees and expenses of counsel with the issuance and delivery of the Bonds, the initial fees and expenses of the Trustee and Escrow Agent and its counsel, the initial fees and expenses of any bond insurer or reserve fund credit facility provider, and other fees and expenses incurred in connection with the issuance and delivery of the Bonds, to the extent such fees and expenses are approved by the City.

“Costs of Issuance Fund” means the fund by that name established in accordance with Section 3.04 hereof.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for any Series of Book-Entry Bonds, including any such successor appointed pursuant to Section 2.10 hereof.

“Escrow Agent” means U.S. Bank National Association, as escrow agent pursuant to the Escrow Agreement.

“Escrow Fund” means the fund established and held by the Escrow Agent pursuant to the Escrow Agreement.

“Escrow Agreement” means the escrow agreement dated as of November 1, 2021 by and between the Fontana Public Financing Authority and the Escrow Agent relating to the defeasance of the 2010 Bonds.

“Federal Securities” means (a) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), and (b) obligations of any agency, department or instrumentality of the United States of America the timely payment of principal of and interest on which are fully guaranteed by the United States of America.

“Ground Lease” means the Ground Lease, dated as of the date hereof, by and between the City and the Authority, as originally executed and as it may from time to time be amended in accordance with the provisions thereof and of the Lease Agreement.

“Indenture” means this Indenture, as originally executed and as it may be amended or supplemented from time to time by any Supplemental Indenture.

“Information Services” means Municipal Securities Rulemaking Board through the Electronic Municipal Marketplace Access (EMMA) website; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Authority may designate in a Written Certificate of the Authority delivered to the Trustee.

“Insured Series 2021A Bonds” means the Series 2021A Bonds maturing on and after November 1, 20__.

“Interest Fund” means the fund by that name established in accordance with Section 5.02 hereof.

“Interest Payment Date” means May 1 and November 1 of each year, commencing on May 1, 2022.

“Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as the 2021 Insurer, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to the 2021 Insurer shall be computed on the basis of the actual number of days elapsed in a year of 360 days.]

“Lease Agreement” means the Lease Agreement, dated as of the date hereof, by and between the City and the Authority, as originally executed and as it may be from time to time amended in accordance with the provisions thereof.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, except that if such corporation shall no longer perform the function of a securities rating agency for any reason, the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

“Office of the Trustee” means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified to the Authority and the City by the Trustee in writing, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or the agency of the Trustee at which, at any particular time, its corporate trust agency shall be conducted as specified to the Authority and the City by the Trustee in writing.

“Opinion of Counsel” means a written opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, or other counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the Authority or the City and which written opinion is satisfactory to the Trustee.

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09 hereof) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except:

(a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.01 hereof; and

(c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

“**Owner**” means, with respect to a Bond, the Person in whose name such Bond is registered on the Registration Books.

“**Participant**” means any entity which is recognized as a participant by DTC in the book-entry system of maintaining records with respect to Book-Entry Bonds.

“**Participating Underwriter**” has the meaning ascribed thereto in the Continuing Disclosure Certificate.

“**Permitted Investments**” [TO BE REVIEWED] means any of the following to the extent then permitted by the general laws of the State of California (provided that the Trustee shall be entitled to rely upon any investment directions from the City and Authority as conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State of California):

(1) (a) Direct obligations (other than an obligation subject to—Variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively “United States Obligations”). These include, but are not necessarily limited to:

- U.S. Treasury obligations
 - All direct or fully guaranteed obligations
- Farmers Home Administration
 - Certificates of beneficial ownership
- General Services Administration
 - Participation certificates
- U.S. Maritime Administration
 - Guaranteed Title XI financing
- Small Business Administration
 - Guaranteed participation certificates
 - Guaranteed pool certificates
- Government National Mortgage Association (GNMA)
 - GNMA-guaranteed mortgage-backed securities
 - GNMA-guaranteed participation certificates
- U.S. Department of Housing & Urban Development
 - Local authority bonds
- Washington Metropolitan Area Transit Authority
 - Guaranteed transit bonds

(2) Federal Housing Administration debentures.

(3) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

- Federal Home Loan Mortgage Corporation (FHLMC)

- Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)

- Senior debt obligations

- Farm Credit Banks (formerly: Federal Land Banks, Federal intermediate Credit Banks and Banks for Cooperatives)

- Consolidated systemwide bonds and notes

- Federal Home Loan Banks (FHL Banks)

- Consolidated debt obligations

- Federal National Mortgage Association (FNMA)

- Senior debt obligations

- Mortgage-backed securities (excluded are stripped mortgages securities which are purchased at prices exceeding their principal amounts)

- Student Loan Marketing Association (SLMA)

- Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)

- Financing Corporation (FICO)

- Debt obligations

- Resolution Funding Corporation (REFCORP)

- Debt obligations

(4) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 180 days) of any bank, including the Trustee and its affiliates, the short-term obligations of which are rated "A-1+" or better by S&P and "P-1" or better by Moody's.

(5) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks, including the Trustee and its affiliates, which have capital and surplus of at least \$5 million.

(6) Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's at the time of purchase.

(7) Money market funds rated "AAm" or "AAm-G" or better by S&P and "Aa2" or better by Moody's, including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that: (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered; (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds; and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(8) Repurchase agreements:

(a) With any domestic bank the long term debt of which is rated “AA” or better by S&P and “Aa” by Moody’s (so long as an opinion is rendered that the repurchase agreement is a “repurchase agreement” as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (“FIRREA”) and that such bank is subject to FIRREA), or any foreign bank rated at least “AA” by S&P and “Aaa” by Moody’s or “AA” by S & P and at least “Aa2” by Moody’s; provided the term of such repurchase agreement is for one year or less.

(b) With (i) any broker-dealer with “retail customers” which has, or the parent company of which has, long-term debt rated at least “AA” by S&P and “Aa2” by Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corp. (SIPC); provided that:

A. The market value of the collateral is maintained for United States Treasury Obligations, at the levels shown below under “Collateral Levels for United States Treasury Obligations”;

B. Failure to maintain the requisite collateral percentage will require the City or the Trustee to liquidate the collateral;

C. The Trustee, the City or a third party acting solely as agent therefor (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);

D. The repurchase agreement states, and an opinion of counsel is rendered to the effect, that the Trustee has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

E. The transferor represents that the collateral is free and clear of any third-party liens or claims;

F. An opinion is rendered that the repurchase agreement is a “repurchase agreement” as defined in the United States Bankruptcy Code;

G. There is or will be a written agreement governing every repurchase transaction;

H. The City represents that it has no knowledge of any fraud involved in the repurchase transaction; and

I. The City and the Trustee receive an opinion of counsel (which opinion shall be addressed to the City and the Trustee) that such repurchase agreement is legal, valid and binding and enforceable against the provider in accordance with its terms.

(9) State Obligations

(a) Direct general obligations of any state of the United States or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated “A2” by Moody’s and “A” by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(b) Direct, general short-term obligations of any state agency or subdivision described in (a) above and rated “A-1+” by S&P and “Prime-1” by Moody’s.

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above and rated “AA” or better by S&P and “Aa2” or better by Moody’s.

(10) Local Agency Investment Fund.

(11) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt of the guarantor, or in the case of a monoline financial guaranty insurance company the claims paying ability of the guarantor, is rated at least “AA” by S&P and “Aa2” by Moody’s; provided, that prior written notice of an investment in the investment agreement is provided to S&P and, provided, further, by the terms of the investment agreement:

(a) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

(b) the invested funds are available for withdrawal without penalty or premium, at any time for purposes identified in this Indenture other than acquisition of alternative investment property upon not more than seven days prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); provided that the Indenture specifically requires the Trustee or the City to give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

(d) a guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified under the Indenture;

(e) the Trustee and the City receive the opinion of domestic counsel (which opinion shall be addressed to the City) that such investment agreement is legal, valid and binding and enforceable against the provider in accordance with its terms and of foreign counsel (if applicable);

(f) the investment agreement shall provide that if during its term (A) the provider's or the guarantor's rating by either Moody's or S&P is withdrawn or suspended or falls below "AA" or "Aa2", respectively, or, with respect to a foreign bank, below the ratings of such provider at the delivery date of the investment agreement, the provider must, at the direction of the City or the Trustee (acting at the direction of the City) within 10 days of receipt of such direction, either (1) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Trustee, the City or a Holder of the Collateral, United States Treasury Obligations which are free and clear of any third-party liens or claims at the Collateral Levels set forth below; or (2) repay the principal of and accrued but unpaid interest on the investment (the choice of (1) or (2) above shall be that of the City or Trustee (acting at the direction of the City), as appropriate), and (B) the provider's or the guarantor's rating by either Moody's or S&P is withdrawn or suspended or falls below "A" or "A2," or, with respect to a foreign bank, below "AA" or "Aa2" by S&P or Moody's, as appropriate, the provider must, at the direction of the City or the Trustee (acting at the direction of the City), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the City or Trustee;

(g) the investment agreement shall state, and an opinion of counsel shall be rendered to the effect, that the Trustee has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Trustee is in possession); and

(h) the investment agreement must provide that if during its term (A) the provider shall default in its payment obligations, the provider's obligation under the investment agreement shall, at the direction of the City or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the City or Trustee, as appropriate, and (B) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the City or Trustee, as appropriate.

(12) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(a) the municipal obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification”);

(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations; and

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or the United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

Collateral Levels For United States Treasury Obligations

	Remaining Maturity				
<i>Frequency of Valuation</i>	<i>1 year or less</i>	<i>5 years or less</i>	<i>10 years or less</i>	<i>15 years or less</i>	<i>30 years or less</i>
Daily	102	105	106	108	114
Weekly	103	111	112	114	120
Monthly	105	117	120	125	133
Quarterly	107	120	130	133	140

Further Requirements: (a) On each valuation date, the City, or the custodian who shall confirm to the City and the Trustee, shall value the market value (exclusive of accrued interest) of the collateral, which market value will be an amount equal to the requisite collateral percentage times the principal amount of the investment (including unpaid accrued interest thereon) that is being secured, (b) in the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one Business Day for daily valuations, two Business Days for weekly and monthly valuations, and one month for quarterly valuations (the use of different restoration periods affect the requisite collateral percentage), (c) the City or the Trustee (acting at the direction of the City) shall terminate the repurchase agreement or the investment agreement, as the case may be, upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the collateral, liquidate the collateral.

The Trustee shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted Investments.

“**Person**” means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Policy” means the Municipal Bond Insurance Policy issued by the 2021 Insurer that guarantees the scheduled payment of principal of and interest on the Insured Series 2021A Bonds when due.

“Project Fund” means the fund by that name established in accordance with Section 3.05 hereof.

“Principal Fund” means the account by that name established in accordance with Section 5.02 hereof.

“Rebate Fund” means the fund by that name established in accordance with Section 5.05 hereof.

“Rebate Requirement” has the meaning ascribed thereto in the Tax Certificate.

“Record Date” means the fifteenth day of the month next preceding an Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means the fund by that name established in accordance with Section 5.02 hereof.

“Redemption Price” means the aggregate amount of principal of and premium, if any, on the Bonds upon the redemption thereof pursuant hereto.

“Registration Books” means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to Section 2.05 hereof.

“Rental Payments” means, collectively, the Base Rental Payments and the Additional Rental Payments.

“Rental Period” means the period from the Closing Date through October 31, 2022 and, thereafter, the twelve-month period commencing on November 1 of each year during the term of the Lease Agreement.

“Representation Letter” means the Letter of Representations from the Authority to DTC, or any successor securities depository for any Series of Book-Entry Bonds, in which the Authority makes certain representations with respect to issues of its securities for deposit by DTC or such successor depository.

“S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, its successors and assigns, except that if such entity shall no longer perform the functions of a securities rating agency for any reason, the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

“Securities Depositories” means The Depository Trust Company; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depositories as the Authority may designate in a Written Certificate of the Authority delivered to the Trustee.

“Security Documents” means this Indenture, the Lease Agreement and the Assignment Agreement.

“**Series**” means the Series 2021A Bonds executed, authenticated and delivered on the Closing Date and identified pursuant to this Indenture and any Additional Bonds issued pursuant to a Supplemental Indenture and identified as a separate Series of Bonds.

“**Series 2021A Bonds**” means the Fontana Public Facilities Financing Authority Lease Revenue Bonds Series 2021A issued hereunder.

“**Supplemental Indenture**” means any supplemental indenture amendatory of or supplemental to this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“**Tax Certificate**” means the Tax Certificate executed by the Authority and the City at the time of issuance of the Series 2021A Bonds relating to the requirements of Section 148 of the Code, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“**Trustee**” means U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States, or any successor thereto as Trustee hereunder, appointed as provided herein.

“**2010 Bonds**” has the meaning ascribed thereto in the recitals hereof.

“**2021 Insurer**” means _____, or any successor thereto.

“**Written Certificate of the Authority**” and “**Written Request of the Authority**” mean, respectively, a written certificate or written request signed in the name of the Authority by an Authorized Authority Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“**Written Certificate of the City**” and “**Written Request of the City**” mean, respectively, a written certificate or written request signed in the name of the City by an Authorized City Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Section 1.02 Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract among the Authority, the City, the Trustee and the Owners from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full and final payment of the principal of, premium, if any, and interest on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the Authority or the City shall be for the equal and proportionate benefit, protection and security of all Owners of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

THE BONDS

Section 2.01 Authorization of Bonds. The Authority hereby authorizes the issuance of the Bonds under and subject to the terms of this Indenture and applicable laws of the State of California for the purpose of financing and refinancing the Project. The Bonds may consist of one or more Series of Bonds of varying denominations, dates, maturities, interest rates and other provisions, subject to the provisions and conditions contained herein.

Section 2.02 Terms of Series 2021A Bonds.

(a) The Series 2021A Bonds shall be designated the “Fontana Public Facilities Financing Authority Lease Revenue Bonds Series 2021A.” Each Series of Additional Bonds shall bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series, of Bonds.

(b) The Series 2021A Bonds shall be issued in fully registered form without coupons in Authorized Denominations, so long as no Series 2021A Bond shall have more than one maturity date. The Series 2021A Bonds shall be dated as of the Closing Date, shall be issued in the aggregate principal amount of \$_____, shall mature on November 1 of each year and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rates per annum as follows:

<i>Maturity Date (November 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
2022	\$_____	_____%
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		
2047		
2048		
2049		
2050		
2051		
2052		

(c) Interest on the Series 2021A Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Series 2021A Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, (ii) a Series 2021A Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the dated date thereof, or (iii) interest on any Series 2021A 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 been paid in full, payable on each Interest Payment Date. Interest shall be paid in lawful money of the United States on each Interest Payment Date to the Persons in whose names the ownership of the Series 2021A Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Series 2021A Bond Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date.

(d) The principal and premium, if any, of the Series 2021A Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

(e) The Series 2021A Bonds shall be subject to redemption as provided in Article IV.

Section 2.03 Form of Series 2021A Bonds. The Series 2021A Bonds shall be in substantially the form set forth in Exhibit A hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

Section 2.04 Transfer and Exchange of Bonds. Any Bond may, in accordance with its terms, be transferred upon the Registration Books by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds of the same Series in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same Series of other authorized denominations. The Trustee shall require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be obligated to make any transfer or exchange of Bonds of a Series pursuant to this Section during the period established by the Trustee for the selection of Bonds of such Series for redemption, or with respect to any Bonds of such Series selected for redemption.

Section 2.05 Registration Books. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall be open to inspection during regular business hours and upon reasonable notice by the City; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

Section 2.06 Execution of Bonds. The Bonds shall be executed in the name and on behalf of the Authority with the facsimile signature of an Authorized Officer of the Authority attested by the manual or facsimile signature of the Secretary of the Authority. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of such officers of the Authority who shall have signed or attested any of the Bonds shall cease to be such officers of the Authority before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and attested the same had continued to be such officers of the Authority, and also any Bonds may be signed and attested on behalf of the Authority by such Persons as at the actual date of execution of such Bonds shall be the proper officers of the Authority although at the nominal date of such Bonds any such Person shall not have been such officer of the Authority.

Section 2.07 Authentication of Bonds. Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form as that set forth in Exhibit A hereto, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.08 Temporary Bonds. The Bonds of a Series may be issued in temporary form exchangeable for definitive Bonds of such Series when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the Authority, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds of a Series it will execute and deliver definitive Bonds of such Series as promptly thereafter as practicable, and thereupon the temporary Bonds of such Series, may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of such Series in Authorized Denominations. Until so exchanged, the temporary Bonds of such Series shall be entitled to the same benefits under this Indenture as definitive Bonds of such Series authenticated and delivered hereunder.

Section 2.09 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and Series in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or in accordance with the order of, the Authority. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence and indemnity satisfactory to the Trustee shall be given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and Series in lieu of and in replacement for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been selected for redemption, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof). The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee. Any Bond of a Series issued under the provisions of this Section in lieu of any Bond of such Series alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds of such Series secured by this Indenture.

Section 2.10 Book-Entry Bonds.

(a) Prior to the issuance of a Series of Bonds, the Authority may provide that such Series of Bonds shall initially be issued as Book-Entry Bonds and, in such event, the Bonds of such Series for each maturity shall be in the form of a separate single fully registered Bond (which may be typewritten). The Series 2021A Bonds shall initially be issued as Book-Entry Bonds.

Except as provided in subsection (c) of this Section, the registered Owner of all of the Book-Entry Bonds shall be Cede & Co., as nominee of DTC. Notwithstanding anything to the contrary

contained in this Indenture, payment of interest with respect to any Book-Entry Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of same-day funds to the account of Cede & Co. on the Interest Payment Date at the address indicated on the Record Date for Cede & Co. in the Registration Books or as otherwise provided in the Representation Letter.

(b) The Trustee and the Authority may treat DTC (or its nominee) as the sole and exclusive Owner of Book-Entry Bonds registered in its name for the purposes of payment of the principal, premium, if any, or interest with respect to Book-Entry Bonds, selecting Book-Entry Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners of Book-Entry Bonds under this Indenture, registering the transfer of Book-Entry Bonds, obtaining any consent or other action to be taken by Owners of Book-Entry Bonds and for all other purposes whatsoever, and neither the Trustee nor the Authority shall be affected by any notice to the contrary. Neither the Trustee nor the Authority shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in Book-Entry Bonds under or through DTC or any Participant, or any other person which is not shown on the Registration Books as being an Owner, with respect to the accuracy of any records maintained by DTC or any Participant, the payment by DTC or any Participant of any amount in respect of the principal, premium, if any, or interest with respect to Book-Entry Bonds, any notice which is permitted or required to be given to Owners of Book-Entry Bonds under this Indenture, the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of Book-Entry Bonds, or any consent given or other action taken by DTC as Owner of Book-Entry Bonds. The Trustee shall pay all principal, premium, if any and interest with respect to Book-Entry Bonds, only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal, premium, if any, and interest with respect to the Book-Entry Bonds to the extent of the sum or sums so paid. Except under the conditions of subsection (c) of this Section, no person other than DTC shall receive an executed Book-Entry Bond for each separate stated maturity. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the term "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) In the event (i) DTC, including any successor as securities depository for a Series of Bonds, determines not to continue to act as securities depository for such Series of Bonds, or (ii) the Authority determines that the incumbent securities depository shall no longer so act, and delivers a written certificate to the Trustee to that effect, then the Authority will discontinue the book-entry system with the incumbent securities depository for such Series of Bonds. If the Authority determines to replace the incumbent securities depository for such Series of Bonds with another qualified securities depository, the Authority shall prepare or direct the preparation of a new single, separate fully registered Bond of such Series for the aggregate outstanding principal amount of Bonds of such Series of each maturity, registered in the name of such successor or substitute qualified securities depository, or its nominee, or make such other arrangement acceptable to the Authority, the Trustee and the successor securities depository for the Bonds of such Series as are not inconsistent with the terms of this Indenture. If the Authority fails to identify another qualified successor securities depository for such Series of Bonds to replace the incumbent securities depository, then the Bonds of such Series shall no longer be restricted to being registered in the Registration Books in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository for such Series of Bonds, or its nominee, shall designate. In such event the Authority shall execute, and deliver to the Trustee, a sufficient quantity of Bonds of such Series to carry out the transfers and exchanges provided in Sections 2.04, 2.08 and 2.09 hereof. All such Bonds of such Series shall be in fully registered form in Authorized Denominations.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as any Book-Entry Bond is registered in the name of DTC, or its nominee, all payments with respect to the principal, premium, if any, and interest with respect to such Book-Entry Bond and all notices with respect to such Book-Entry Bond shall be made and given, respectively, as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Owners of Book-Entry Bonds pursuant to this Indenture by the Authority, the City or the Trustee with respect to any consent or other action to be taken by Owners, the Authority, the City or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01 Issuance of Series 2021A Bonds. The Authority may, at any time, execute the Series 2021A Bonds for issuance hereunder and deliver the same to the Trustee. The Trustee shall authenticate the Series 2021A Bonds and deliver the Series 2021A Bonds to the original purchaser thereof upon receipt of a Written Request of the Authority and upon receipt of the purchase price therefor.

Section 3.02 Application of Proceeds of the Series 2021A Bonds. On the Closing Date, the net proceeds of the sale of the Series 2021A Bonds received by the Trustee, \$_____ (less the amount of \$_____ to be paid directly to the 2021 Insurer as payment for the Policy), 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 Project Fund to be applied as provided in Section 3.05 hereof.

(c) The Trustee shall transfer \$_____ to the Escrow Agent for deposit into the Escrow Fund.

Section 3.03 [Reserved].

Section 3.04 Costs of Issuance Fund. The Trustee shall establish and maintain a separate fund designated the “Costs of Issuance Fund.” On the Closing Date, there shall be deposited in the Costs of Issuance Fund the amount specified in Section 3.02 hereof. There shall be additionally deposited in the Cost of Issuance Fund the portion, if any, of the proceeds of the sale of any Additional Bonds required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Authority stating (a) the Person to whom payment is to be made, (b) the amount to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the Costs of Issuance

Fund, and (e) that such amounts have not been the subject of a prior disbursement from the Costs of Issuance Fund, in each case together with a statement or invoice for each amount requested thereunder. Each such Written Request of the Authority shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. One hundred eighty (180) days following the Closing Date, or earlier upon the Written Request of the Authority, all amounts, if any, remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Fund.

Section 3.05 Project Fund.

The Trustee shall establish, maintain and hold in trust a separate fund designated as the “Project Fund.” The moneys in the Project Fund or the accounts therein shall be disbursed by the Trustee on behalf of the City as specified in a Written Request of the City in the form attached hereto as Exhibit B. Each Written Request of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the date on which the City determines that amounts in the Project Fund are no longer necessary for payment of the cost of the 2021 Project, the City shall submit a Written Request to the Trustee to transfer any remaining balance in the Project Fund not needed for Project Fund purposes, at the City’s sole discretion, to the City for use on eligible capital facilities, and the Project Fund shall be closed. Investment earnings on amounts on deposit in the Project Fund shall remain on deposit in the Project Fund for application in accordance with this Section.

Section 3.06 Conditions for the Issuance of Additional Bonds. The Authority may at any time issue one or more Series of Additional Bonds (in addition to the Series 2021A Bonds) payable from Base Rental Payments as provided herein on a parity with all other Bonds theretofore issued hereunder, but only subject to the following conditions, which are hereby made conditions precedent to the issuance of such Additional Bonds:

(a) The issuance of such Additional Bonds shall have been authorized under and pursuant hereto and shall have been provided for by a Supplemental Indenture which shall specify the following:

- (i) The application of the proceeds of the sale of such Additional Bonds;
- (ii) The principal amount and designation of such Series of Additional Bonds and the denomination or denominations of the Additional Bonds;
- (iii) The date, the maturity date or dates, the interest payment dates and the dates on which mandatory sinking fund redemptions, if any, are to be made for such Additional Bonds; provided, however, that (i) the serial Bonds of such Series of Additional Bonds shall be payable as to principal annually on November 1 of each year in which principal falls due, and the term Bonds of such Series of Additional Bonds shall have annual mandatory sinking fund redemptions on November 1, (ii) the Additional Bonds shall be payable as to interest semiannually on May 1 and November 1 of each year, except that the first installment of interest may be payable on either May 1 or November 1 and shall be for a period of not longer than twelve months and the interest shall be payable thereafter semiannually on May 1 and November 1, (iii) all Additional Bonds of a Series of like maturity shall be identical in all respects, except as to number or denomination, and (iv) serial maturities of serial Bonds or mandatory sinking fund redemptions for term Bonds, or any combination thereof, shall be

established to provide for the redemption or payment of such Additional Bonds on or before their respective maturity dates;

(iv) The redemption premiums and terms, if any, for such Additional Bonds;

(v) The form of such Additional Bonds; and

(vi) If a reserve fund is to be established and maintained for such Series of Additional Bonds, the applicable reserve requirement and the amount, if any, to be deposited from the proceeds of sale of such Additional Bonds in such reserve fund to be held as separate security for such Series of Additional Bonds;

(vii) Designate accounts in the Interest Fund, the Principal Fund, the Redemption Fund, the Rebate Fund and the reserve fund (if any) to be applicable to such Additional Bonds; and

(viii) Such other provisions that are appropriate or necessary and are not inconsistent with the provisions hereof, including the establishment of a capitalized interest fund for the Additional Bonds, if appropriate;

(b) The Authority shall be in compliance with all agreements, conditions, covenants and terms contained herein, in the Lease Agreement and in the Ground Lease required to be observed or performed by it;

(c) The City shall be in compliance with all agreements, conditions, covenants and terms contained herein, in the Lease Agreement and in the Ground Lease required to be observed or performed by it; and

(d) The Ground Lease shall have been amended, to the extent necessary, and the Lease Agreement shall have been amended so as to increase the Base Rental Payments payable by the City thereunder by an aggregate amount equal to the principal of and interest on such Additional Bonds, payable at such times and in such manner as may be necessary to provide for the timely payment of the principal of and interest on such Additional Bonds; provided, however, that no such amendment shall be made such that the sum of Base Rental Payments, including any increase in the Base Rental Payments as a result of such amendment, plus Additional Rental Payments, in any Rental Period shall be in excess of the annual fair rental value of the Property after taking into account the use of the proceeds of any Additional Bonds issued in connection therewith (evidence of the satisfaction of such condition shall be made by a Written Certificate of the City).

Nothing contained herein shall limit the issuance of any bonds or other obligations payable from Base Rental Payments if, after the issuance and delivery of such bonds or other obligations, none of the Bonds theretofore issued hereunder will be Outstanding.

Section 3.07 Procedure for the Issuance of Additional Bonds. At any time after the sale of any Additional Bonds in accordance with the Act, such Additional Bonds shall be executed by the Authority for issuance hereunder and shall be delivered to the Trustee and thereupon shall be authenticated and delivered by the Trustee, but only upon receipt by the Trustee of the following:

(a) Certified copies of the Supplemental Indenture authorizing the issuance of such Additional Bonds, the amendment to the Lease Agreement required by Section 3.06 hereof and the amendment to the Ground Lease, if any, required by Section 3.06 hereof, together with satisfactory evidence that such amendment to the Lease Agreement and such amendment to the Ground Lease, if any, have been (or will be immediately upon issuance of such Additional Bonds) duly recorded;

(b) A Written Request of the Authority as to the delivery of such Additional Bonds;

(c) An opinion of Bond Counsel substantially to the effect that (i) the Indenture (including all Supplemental Indentures), the Lease Agreement (including the amendment thereto required by Section 3.06 hereof) and the Ground Lease (including any amendment thereto required by Section 3.06 hereof) have been duly authorized, executed and delivered by, and constitute the valid and binding obligations of, the Authority and the City, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by the application of equitable principles and by the exercise of judicial discretion in appropriate cases and subject to the limitations on legal remedies against political subdivisions in the State of California), (ii) such Additional Bonds constitute valid and binding special obligations of the Authority payable solely from Base Rental Payments as provided herein and are enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by the application of equitable principles and by the exercise of judicial discretion in appropriate cases and subject to the limitations on legal remedies against political subdivisions in the State of California), and (iii) the issuance of such Additional Bonds, in and of itself, will not adversely affect the exclusion of interest on any tax-exempt Bonds Outstanding prior to the issuance of such Additional Bonds from gross income for federal income tax purposes;

(d) a Written Certificate of the Authority that the requirements of Section 3.06 hereof have been met;

(e) a Written Certificate of the City that the requirements of Section 3.06 hereof and Sections 6.01 and 6.02 of the Lease Agreement have been met, and a Written Certificate of the City directing the application of the proceeds of such Additional Bonds; and

(f) Such further documents as are required by the provisions hereof or by the provisions of the Supplemental Indenture authorizing the issuance of such Additional Bonds.

Section 3.08 Additional Bonds. So long as any of the Bonds remain Outstanding, the Authority shall not issue any Additional Bonds or obligations payable from the Base Rental Payments, except pursuant to Sections 3.06 and 3.07 hereof.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01 Redemption of Series 2021A Bonds.

(a) Extraordinary Redemption. The Series 2021A Bonds shall be subject to redemption, in whole or in part, on any date, in Authorized Denominations, from and to the extent of any Net Insurance Proceeds received with respect to all or a portion of the Property, deposited by the

Trustee in the Redemption Fund pursuant to Sections 5.03 and 5.04 hereof, at a Redemption Price equal to the principal amount of the Series 2021A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

(b) Optional Redemption. The Series 2021A Bonds maturing on or after November 1, 20__, shall be subject to optional redemption, in whole or in part, on any date on or after November 1, 20__, in Authorized Denominations, from and to the extent of prepaid Base Rental Payments paid pursuant to subsection (a) of Section 8.02 of the Lease Agreement, at a Redemption Price equal to the principal amount of the Series 2021A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

(c) Sinking Fund Redemption. The Series 2021A Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on each November 1 on and after November 1, 20__, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

<i>Sinking Fund Redemption Date</i> <i>(November 1)</i>	<i>Principal Amount</i> <i>To Be Redeemed</i>
	\$_____
(maturity)	

The Series 2021A Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on each November 1 on and after November 1, 20__, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

<i>Sinking Fund Redemption Date</i> <i>(November 1)</i>	<i>Principal Amount</i> <i>To Be Redeemed</i>
	\$_____
(maturity)	

In the event of a partial redemption pursuant to Section 4.01(a) or (b), the City shall provide the Trustee with a revised mandatory sinking fund schedule giving effect to the redemption so completed.

Section 4.02 Notice of Redemption. The Trustee on behalf and at the expense of the Authority shall mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Securities Depositories and to one or more Information Services, at least 20 but not more than 60 days prior to the date fixed for redemption. Such notice shall state the date of the notice, the redemption date, the redemption place and the Redemption Price and shall designate the CUSIP numbers, the Bond numbers and the maturity or maturities (except in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice

also that further interest on such Bonds will not accrue from and after the date fixed for redemption. Such notice may state that such redemption is conditioned upon sufficient funds being on deposit on the redemption date to redeem the Bonds so called for redemption. Such notice of redemption may also state that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

Section 4.03 Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption (a) with respect to any optional redemption of Bonds of a Series, among maturities of Bonds of such Series as directed in a Written Request of the Authority, (b) with respect to any redemption pursuant to Section 4.01(a) hereof and the corresponding provision of any Supplemental Indenture pursuant to which Additional Bonds are issued, among maturities of all Series of Bonds on a pro rata basis as nearly as practicable, and (c) with respect to any other redemption of Additional Bonds, among maturities as provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued, and by lot among Bonds of the same Series with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate and fair. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Bonds which may be separately redeemed.

Section 4.04 Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same Series in authorized denominations equal in aggregate principal amount representing the unredeemed portion of the Bonds surrendered.

Section 4.05 Effect of Notice of Redemption. Notice having been mailed as aforesaid, and moneys for the Redemption Price, and the interest to the applicable date fixed for redemption, having been set aside in the Redemption Fund, the Bonds shall become due and payable on said date, and, upon presentation and surrender thereof at the Office of the Trustee, said Bonds shall be paid at the Redemption Price thereof, together with interest accrued and unpaid to said date.

If, on said date fixed for redemption, moneys for the Redemption Price of all the Bonds to be redeemed, together with interest to said date, shall be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed without liability to such Owners for interest thereon.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions hereof shall be canceled upon surrender thereof and destroyed.

ARTICLE V

SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS

Section 5.01 Pledge; Special Obligations. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Base Rental Payments and any other amounts (including proceeds of the sale of the Bonds) held in the Base Rental Payment Fund, the Interest Fund, the Principal Fund and the Redemption Fund are hereby pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of this Indenture and the Act. Said pledge shall constitute a first lien on such assets.

All obligations of the Authority under this Indenture shall be special obligations of the Authority, payable solely from Rental Payments and the other assets pledged therefor hereunder; provided, however, that all obligations of the Authority under the Bonds shall be special obligations of the Authority, payable solely from Base Rental Payments and the other assets pledged therefor hereunder. Neither the faith and credit nor the taxing power of the Authority, the City or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

Section 5.02 Flow of Funds.

(a) The Trustee shall establish and maintain separate funds designated the “Base Rental Payment Fund,” the “Interest Fund,” the “Principal Fund” and the “Redemption Fund.” If Additional Bonds are issued, the Trustee shall establish subaccounts within each fund for each Series of Additional Bonds.

All Base Rental Payments shall be paid directly by the City to the Trustee, and if received by the Authority at any time shall be transferred by the Authority with the Trustee within one Business Day after the receipt thereof. All Base Rental Payments received by the Trustee shall be deposited by the Trustee in the Base Rental Payment Fund.

(b) The Trustee shall transfer the amounts on deposit in the Base Rental Payment Fund, at the times and in the manner hereinafter provided, to the following respective funds:

(1) Interest Fund. On the Business Day immediately preceding each Interest Payment Date, the Trustee shall transfer from the Base Rental Fund to the Interest Fund the amount, if any, necessary to cause the amount on deposit in the Interest Fund to be equal to the interest due on the Bonds on such Interest Payment Date. Moneys in the Interest Fund shall be used by the Trustee to pay interest due on the Bonds on each Interest Payment Date.

(2) Principal Fund. On the Business Day immediately preceding each November 1, commencing November 1, 2022, the Trustee shall transfer from the Base Rental Fund to the Principal Fund the amount, if any, necessary to cause the amount on deposit in the Principal Fund to be equal to the principal amount of the Bonds due on such November 1 either as a result of the maturity thereof or mandatory sinking fund redemption payments required to be made with respect thereto. Moneys in the Principal Fund shall be used by the Trustee for the purpose of paying the principal of the Bonds when due and payable at their maturity dates or upon earlier mandatory sinking fund redemption.

(3) **Redemption Fund.** The Trustee, on the redemption date specified in the Written Request of the City filed with the Trustee at the time that any prepaid Base Rental Payment is paid to the Trustee pursuant to the Lease Agreement, shall deposit in the Redemption Fund that amount of moneys representing the portion of the Base Rental Payments designated as prepaid Base Rental Payments. Additionally, the Trustee shall deposit in the Redemption Fund any amounts required to be deposited therein pursuant to Section 5.03 or Section 5.04 hereof. Moneys in the Redemption Fund shall be used by the Trustee for the purpose of paying the principal of and interest and premium, if any, on Series 2021A Bonds redeemed pursuant to the provisions of subsections (a) and (b) of Section 4.01 hereof and Additional Bonds redeemed pursuant to the corresponding provisions of the Supplemental Indenture pursuant to which such Additional Bonds are issued.

Section 5.03 Application of Net Insurance Proceeds. If the Property or any portion thereof shall be damaged or destroyed, subject to the further requirements of this Section, the City shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the City elects not to repair or replace the Property or the affected portion thereof in accordance with the provisions hereof.

The Net Insurance Proceeds (other than Net Insurance Proceeds of rental interruption insurance), including the proceeds of any self-insurance, received on account of any damage or destruction of the Property or a portion thereof shall as soon as possible be deposited with the Trustee and be held by the Trustee in a special account and made available for and, to the extent necessary, shall be applied to the cost of repair or replacement of the Property or the affected portion thereof upon receipt of a Written Request of the City, together with invoices therefor. Pending such application, such proceeds may be invested by the Trustee as directed by the City in Permitted Investments that mature not later than such times moneys are expected to be needed to pay such costs of repair or replacement.

Notwithstanding the foregoing, the City shall, within 60 days of the occurrence of the event of damage or destruction, notify the Trustee in writing as to whether the City intends to replace or repair the Property or the portions of the Property which were damaged or destroyed. If the City does intend to replace or repair the Property or portions thereof, the City shall deposit with the Trustee the full amount of any insurance deductible to be credited to the special account.

In the event of any damage to or destruction of the Property caused by one of the perils covered by the insurance required by Section 6.01(c) of the Lease Agreement which would result in an abatement of rental payments or any portion thereof pursuant to Section 3.06 thereof, then the City shall apply the Net Insurance Proceeds (other than Net Insurance Proceeds of rental interruption insurance), together with other legally available funds that the City elects to contribute, to the repair, reconstruction or replacement of the damaged or destroyed portions of the Property; provided, however, that the City shall not be required to repair or replace any portion of the Property pursuant to this Section 5.03 if such Net Insurance Proceeds, together with any other amounts held under this Indenture and any other legally available funds made available by the City at its election, are sufficient to prepay (i) all of the Outstanding Bonds, or (ii) a portion of the Outstanding Bonds such that the resulting Base Rental Payments under Section 4.01(a) in any Rental Period following such partial prepayment are sufficient to pay in such Rental Period the principal of and interest on all Bonds to remain Outstanding immediately after such partial redemption. If the City is not required to replace or repair the Property, or the affected portion thereof, or to use such amounts to redeem Bonds, in each case as set forth in this Section 5.03, then such proceeds (and rental interruption insurance proceeds

not applied pursuant to the next paragraph) shall, if there is first delivered to the Trustee a Written Certificate of the City to the effect that the annual fair rental value of the Property after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, is at least equal to 100% of the maximum amount of Base Rental Payments becoming due under the Lease Agreement in the then current Rental Period or any subsequent Rental Period and the fair replacement value of the Property after such damage or destruction is at least equal to the principal amount of the Outstanding Bonds, be paid to the City to be used for any lawful purpose.

Proceeds of rental interruption insurance shall be applied to the payment of Base Rental Payments to the extent of any abatement thereof pursuant to the Lease Agreement, and otherwise as directed by the City.

The proceeds of any award in eminent domain received in respect to the Property shall be deposited by the Trustee in the Redemption Fund and applied to the redemption of Bonds pursuant to subsection (a) of Section 4.01 hereof and the corresponding provisions of any Supplemental Indenture pursuant to which Additional Bonds are issued.

Section 5.04 Title Insurance. Proceeds of any policy of title insurance received by the Trustee in respect of the Property shall be applied and disbursed by the Trustee as follows:

(a) if the City determines that the title defect giving rise to such proceeds has not substantially interfered with its use and occupancy of the Property and will not result in an abatement of Rental Payments payable by the City under the Lease Agreement, such proceeds shall be remitted to the City and used for any lawful purpose thereof; or

(b) if the City determines that the title defect giving rise to such proceeds has substantially interfered with its use and occupancy of the Property and will result in an abatement of Rental Payments payable by the City under the Lease Agreement, then the Trustee shall immediately deposit such proceeds in the Redemption Fund and such proceeds shall be applied to the redemption of Bonds in the manner provided in subsection (a) of Section 4.01 hereof and the corresponding provisions of any Supplemental Indenture pursuant to which Additional Bonds are issued.

Section 5.05 Rebate Fund.

(a) Establishment. The Trustee shall establish a fund for the Bonds designated the “Rebate Fund” when required in accordance herewith. Absent an Opinion of Counsel that the exclusion from gross income for federal income tax purposes of interest on the Series 2021A Bonds will not be adversely affected, the Authority shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust for payment to the United States Treasury. All amounts on deposit in the Rebate Fund for the Series 2021A Bonds shall be governed by this Section and the Tax Certificate, unless and to the extent that the Authority delivers to the Trustee an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Bonds will not be adversely affected if such requirements are not satisfied. Notwithstanding anything to the contrary contained herein or in the Tax Certificate, the Trustee: (1) shall be deemed conclusively to have complied with the provisions thereof if it follows all Written Requests of the Authority or Written Requests of the City; (2) shall have no liability or responsibility to enforce compliance by the Authority or the City with the terms of the Tax Certificate and shall not be deemed to have knowledge of the terms thereof; (3) may rely conclusively on the

Authority's or the City's calculations and determinations and certifications relating to rebate matters; and (4) shall have no responsibility to independently make any calculations or determinations or to review the Authority's or the City's calculations or determinations thereunder.

(1) Annual Computation. Within 55 days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate), the Authority shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (*e.g.*, the temporary investments exceptions of Section 148(f)(4)(B) and the construction expenditures exception of Section 148(f)(4)(C) of the Code), and taking into account whether the election pursuant to Section 148(f)(4)(C)(vii) of the Code (the "1½% Penalty") has been made), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the "Rebatable Arbitrage"). The Authority shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(2) Annual Transfer. Within 55 days of the end of each fifth Bond Year, upon the Written Request of the Authority or Written Request of the City, an amount shall be deposited to the Rebate Fund by the Trustee from any Rental Payments legally available for such purpose (as specified by the Authority or the City in the aforesaid Written Request), if and to the extent required, so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this subsection (a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon Written Request of the Authority or Written Request of the City, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Base Rental Payment Fund.

(3) Payment to the Treasury. The Trustee shall pay, as directed by Written Request of the Authority, to the United States Treasury, out of amounts in the Rebate Fund:

(i) Not later than 60 days after the end of: (X) the fifth Bond Year; and (Y) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(ii) Not later than 60 days after the payment of all of the Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code and Section 1.148-3 of the Treasury Regulations.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Authority shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source equal to such deficiency prior to the time such payment is due. Each payment required to be made pursuant to this subsection (a) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T (prepared by the Authority), or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the Series 2021A Bonds and the payments described in subsection (a) above being made may be withdrawn by the Authority and utilized in any manner by the Authority.

(c) Survival of Defeasance. Notwithstanding anything in this Section to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance or payment in full of the Series 2021A Bonds.

Section 5.06 Investment of Moneys. Except as otherwise provided herein, all moneys in any of the funds or accounts established pursuant to this Indenture and held by the Trustee shall be invested by the Trustee solely in Permitted Investments, as directed in writing by the Authority. Moneys in all funds and accounts held by the Trustee shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Indenture. Absent timely written direction from the Authority, the Trustee shall hold any funds held by it uninvested.

Subject to the provisions of Section 5.06 hereof, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Indenture shall be retained in such fund or account.

Permitted Investments acquired as an investment of moneys in any fund established under this Indenture shall be credited to such fund. For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued by the Trustee at the fair market value thereof, such valuation to be performed not less frequently than semiannually on or before each May 15 and November 15. In determining fair market value, the Trustee may use and rely conclusively on any generally recognized securities pricing service available to it (including brokers and dealers in securities).

The Trustee may act as principal or agent in the making or disposing of any investment. Upon the Written Request of the Authority, the Trustee shall sell or present for redemption any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investments is credited, and the Trustee shall not be liable or responsible for any loss resulting from any investment made or sold pursuant to this Section. For purposes of investment, the Trustee may commingle moneys in any of the funds and accounts established hereunder.

The Trustee may make any investments hereunder through the bond or investment department or trust investment department of the entity acting as Trustee hereunder, or those of such entity's parent or any affiliate, and such entity, or its parent or affiliate, as applicable, shall be entitled to its normal, customary and reasonable compensation for such services.

The entity acting as Trustee hereunder, or any of its affiliates, may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder and such entity, or its affiliate, as applicable, shall be entitled to its normal, customary and reasonable compensation for such services.

The Authority and the City acknowledge that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority and the City the right to receive

brokerage confirmations of security transactions as they occur, at no additional cost, the Authority and the City specifically waive receipt of such confirmations to the extent permitted by law.

ARTICLE VI

COVENANTS

Section 6.01 Compliance with Agreements. The Trustee will not authenticate or deliver any Bonds in any manner other than in accordance with the provisions hereof, and the Authority and the City will not suffer or permit any default by them to occur hereunder, but will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms hereof required to be complied with, kept, observed and performed by them.

Section 6.02 Compliance with Ground Lease and Lease Agreement. The Authority and the City will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Ground Lease and the Lease Agreement required to be complied with, kept, observed and performed by them and, together with the Trustee, will enforce the Ground Lease and the Lease Agreement against the other party thereto in accordance with their respective terms.

Section 6.03 Observance of Laws and Regulations. The Authority, the City and the Trustee will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

Section 6.04 Other Liens. The City will keep the Property and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character, and free from any claim or liability which materially impairs the City in conducting its business or utilizing the Property, and the Trustee at its option (after first giving the City ten days' written notice to comply therewith and failure of the City to so comply within such ten-day period) may, but is in no event obligated to, defend against any and all actions or proceedings, or may pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Trustee shall not in any event be deemed to have waived or released the City from liability for or on account of any of its agreements and covenants contained herein, or from its liability hereunder and to perform such agreements and covenants.

So long as any Bonds are Outstanding, none of the Trustee, the Authority or the City shall create or suffer to be created any pledge of or lien the amounts on deposit in any of the funds or accounts created hereunder, other than the pledge and lien hereof.

The Authority, the City and the Trustee shall not encumber the Property other than in accordance with the Ground Lease, the Lease Agreement, the Indenture and the Assignment Agreement.

Section 6.05 Prosecution and Defense of Suits. The City will promptly, upon request of the Trustee (which request the Trustee is not required to make), take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Property or any part thereof, whether now existing or hereafter developing, will prosecute all actions, suits or other proceedings as may be appropriate for such purpose and will indemnify and save the Trustee harmless from all cost, damage, expense or loss, including attorneys' fees and expenses, which it or the Owners may incur by reason of any such cloud, defect, action, suit or other proceeding.

Section 6.06 Accounting Records and Statements. The Trustee will keep proper accounting records in which complete and correct entries shall be made of all transactions relating to the receipt, deposit and disbursement of the Base Rental Payments, and such accounting records shall be available for inspection by the Authority and the City at reasonable hours and under reasonable conditions.

Section 6.07 Recordation and Filing. The City will record, or cause to be recorded, with the appropriate county recorder, the Lease Agreement, the Ground Lease and the Assignment Agreement, or memoranda thereof.

Section 6.08 Tax Covenants. Notwithstanding any other provision of the Indenture, absent an Opinion of Counsel that the exclusion from gross income of the interest on the Series 2021A Bonds will not be adversely affected for federal income tax purposes, the City and the Authority covenant to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income with respect to the Series 2021A Bonds and specifically covenant, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The City and the Authority will not take any action or refrain from taking any action or make any use of the proceeds of the Series 2021A Bonds or of any other moneys or property which would cause the Series 2021A Bonds to be "private activity bonds" within the meaning of Section 141 of the Code;

(b) Arbitrage. The City and the Authority will make no use of the proceeds of the Series 2021A Bonds or of any other amounts or property, regardless of the source, and will not take any action or refrain from taking any action which would cause the Series 2021A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code;

(c) Federal Guarantee. The City and the Authority will make no use of the proceeds of the Series 2021A Bonds and will not take or omit to take any action that would cause the Series 2021A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code;

(d) Information Reporting. The City and the Authority will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code necessary to preserve the exclusion of interest on the Series 2021A Bonds pursuant to Section 103(a) of the Code;

(e) Hedge Bonds. The City and the Authority will make no use of the proceeds of the Series 2021A Bonds or any other amounts or property, regardless of the source, and will not take any action or refrain from taking any action that would cause the Series 2021A Bonds to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the City and the Authority take all necessary action to assure compliance with the requirements of Section 149(g) of the Code to

maintain the exclusion from gross income of interest on the Series 2021A Bonds for federal income tax purposes; and

(f) Miscellaneous. The City and the Authority will not take any action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate and will comply with the covenants and requirements stated therein and incorporated by reference herein.

This Section and the covenants set forth herein shall not be applicable to, and nothing contained herein shall be deemed to prevent the City and the Authority from causing the Trustee to issue revenue bonds or to execute and deliver contracts payable on a parity with the Series 2021A Bonds, the interest with respect to which has been determined by an Opinion of Counsel to be subject to federal income taxation.

Section 6.09 Continuing Disclosure. The City will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the City to comply with the Continuing Disclosure Certificate shall not constitute an event of default hereunder; provided, however, that the Trustee may (and, at the written direction of any Participating Underwriter or the holders of at least 25% of the aggregate principal amount of Outstanding Bonds, and upon being indemnified to its reasonable satisfaction therefor, shall) or any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 6.10 Further Assurances. Whenever and so often as requested to do so by the Trustee, the Authority and the City will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon it hereby or by the Assignment Agreement, the Ground Lease or the Lease Agreement.

ARTICLE VII

DEFAULT AND LIMITATIONS OF LIABILITY

Section 7.01 Action on Default. If an event of default (within the meaning of Article VII of the Lease Agreement) shall happen, then such event of default shall constitute an event of default hereunder. The Trustee shall give notice, as assignee of the Authority, of an event of default under the Lease Agreement to the City and the 2021 Insurer. In each and every case during the continuance of an event of default, the Trustee may and, at the direction of the 2021 Insurer, and upon being indemnified to its reasonable satisfaction therefor, shall, upon notice in writing to the 2021 Insurer, the City and the Authority, exercise any of the remedies granted to the Authority under the Lease Agreement and, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee, the 2021 Insurer or the Owners by this Indenture or by the Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in Section 7.02 hereof.

Section 7.02 Other Remedies of the Trustee. Subject to the provisions of Section 7.01 hereof, the Trustee shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Authority or the City or any member, director, officer or employee thereof, and to compel the Authority or the City or any such member, director, officer or employee to perform or carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee; or

(c) by suit in equity upon the happening of any event of default hereunder to require the Authority and the City to account as the trustee of an express trust.

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

Section 7.03 Non-Waiver. A waiver of any default or breach of duty or contract by the Trustee shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No default or event of default may be waived without the 2021 Insurer's express written consent. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Trustee by law or by this Article may be enforced and exercised from time to time and as often the Trustee shall deem expedient.

If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned or determined adversely to the Trustee or any Owner, then subject to any adverse determination, the Trustee, such Owner, the Authority and the City shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 7.04 Remedies Not Exclusive. Subject to the provisions of Section 7.01 hereof, no remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any law. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 7.05 No Liability by the Authority to the Owners. Except as expressly provided herein, the Authority shall not have any obligation or liability to the Owners with respect to the payment when due of the Base Rental Payments by the City, or with respect to the performance by the City of the other agreements and covenants required to be performed by it contained in the Lease Agreement or herein, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

Section 7.06 No Liability by the City to the Owners. Except for the payment when due of the Base Rental Payments and the performance of the other agreements and covenants required to be performed by it contained in the Lease Agreement, the Ground Lease or herein, the City shall not have any obligation or liability to the Owners with respect to the Trust Indenture or the preparation, execution, delivery or transfer of the Bonds or the disbursement of the Base Rental Payments by the Trustee to the Owners, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

Section 7.07 No Liability of the Trustee to the Owners. Except as expressly provided herein, the Trustee shall not have any obligation or liability to the Owners with respect to the payment when due of the Base Rental Payments by the City, or with respect to the performance by the Authority or the City of the other agreements and covenants required to be performed by them contained in the Lease Agreement, the Ground Lease or herein.

Section 7.08 Application of Amounts After Default. All payments received by the Trustee with respect to the rental of the Property after a default by the City pursuant to Article VII of the Lease Agreement (including, without limitation, any proceeds received in connection with the sale, assignment or sublease of the Authority's right, title and interest in the Ground Lease), and all damages or other payments received by the Trustee for the enforcement of any rights and powers of the Trustee under Article VII of the Lease Agreement, shall be deposited into the Base Rental Payment Fund and as soon as practicable thereafter applied, together with all other funds held hereunder (except funds in the Rebate Fund):

- (a) to the payment of all amounts due the Trustee under Article VIII hereof;
- (b) to the payment of all amounts then due for interest on the Bonds, in respect of which, or for the benefit of which, money has been collected (other than Bonds which have become payable prior to such event of default and money for the payment of which is held by the Trustee), ratably without preference or priority of any kind, according to the amounts of interest on such Bonds due and payable; and
- (c) to the payment of all amounts then due for principal of the Bonds, in respect of which, or for the benefit of which, money has been collected (other than Bonds which have become payable prior to such event of default and money for the payment of which is held by the Trustee), ratably without preference or priority of any kind, according to the amounts of principal of such Bonds due and payable.

Section 7.09 Trustee May Enforce Claims Without Possession of Bonds. All rights of action and claims under this Indenture or the Bonds may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Owners in respect of which such judgment has been recovered.

Section 7.10 Limitation on Suits. No Owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or Trustee, or for any other remedy hereunder, unless (a) such Owner shall have previously given written notice to the Trustee of a continuing event of default, (b) the Owners of not less than

25% of the aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee to institute proceedings in respect of such event of default in its own name as Trustee hereunder, (c) such Owner or Owners shall have afforded to the Trustee indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request, (d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such proceedings, and (e) no direction inconsistent with such written request shall have been given to the Trustee during such 60 day period by the Owners of a majority of the aggregate principal amount of Bonds then Outstanding; it being understood and intended that no one or more Owners shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Owner, or to obtain or seek to obtain priority or preference over any other Owner or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Owners

Section 7.11 Consent of 2021 Insurer. Any reorganization or liquidation plan with respect to the City or the Authority must be acceptable to the 2021 Insurer. In the event of any reorganization or liquidation of the City or the Authority, the 2021 Insurer shall have the right to vote on behalf of all holders of the Insured Series 2021A Bonds absent a continuing failure by the 2021 Insurer to make a payment under the Policy.

Anything in the Security Documents to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, the 2021 Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Series 2021A Bonds or the Trustee for the benefit of the holders of the Insured Series 2021A Bonds under this Indenture.

Section 7.12 [2021 Insurer as Owner. Upon the occurrence and continuance of a default or an event of default, the 2021 Insurer shall be deemed to be the sole owner of the Insured Series 2021A Bonds for all purposes under the Security Documents, including, without limitation, for purposes of exercising remedies and approving amendments.]

Section 7.13 [Special Provision for Insurer Default. If an Insurer Default shall occur and be continuing, then, notwithstanding anything herein to the contrary, (1) if at any time prior to or following an Insurer Default, the 2021 Insurer has made payment under the Policy, to the extent of such payment the 2021 Insurer shall be treated like any other holder of the Insured Series 2021A Bonds for all purposes, including giving of consents, and (2) if the 2021 Insurer has not made any payment under the Policy, the 2021 Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or the 2021 Insurer makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, “Insurer Default” means: (A) the 2021 Insurer has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) the 2021 Insurer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the 2021 Insurer (including without limitation under the New York Insurance Law).]

ARTICLE VIII

THE TRUSTEE

Section 8.01 Employment of the Trustee. The Authority hereby appoints and employs the Trustee to receive, deposit and disburse the Base Rental Payments, to authenticate, deliver and transfer the Bonds and to perform the other functions contained herein, all in the manner provided herein and subject to the conditions and terms hereof. By executing and delivering this Indenture, the Trustee accepts the appointment and employment hereinabove referred to and accepts the rights and obligations of the Trustee provided herein, subject to the conditions and terms hereof. Other than when an event of default has occurred and is continuing, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee. In case an event of default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. The Trustee hereby covenants and agrees that it will not encumber the Property.

Section 8.02 Duties, Removal and Resignation of the Trustee. The Authority may, by an instrument in writing, and upon the prior written consent of the 2021 Insurer, remove the Trustee initially a party hereto and any successor thereto unless an event of default shall have occurred and then be continuing, and, upon the prior written consent of the 2021 Insurer, shall remove the Trustee initially a party hereto and any successor thereto if at any time (a) requested to do so by an instrument or concurrent instruments in writing signed by the Owners of a majority of the aggregate principal amount of Bonds at the time Outstanding (or their attorneys duly authorized in writing), or (b) the Trustee shall cease to be eligible in accordance with the following sentence, and shall appoint a successor Trustee. The Trustee and any successor Trustee shall be: (i) a national banking association in good standing authorized to exercise trust powers or having the powers of a trust company and duly authorized to exercise trust powers within the State having a combined capital and surplus of at least \$250,000,000, and subject to supervision or examination by federal or state authority, (ii) a state-chartered commercial bank that is a member of the Federal Reserve System having at least \$1,000,000,000 of assets, or (iii) an entity otherwise approved by the 2021 Insurer in writing. If such entity publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such entity shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee may at any time resign by giving written notice of such resignation to the Authority, the City and the 2021 Insurer and by giving notice, by first class mail, postage prepaid, of such resignation to the Owners at their addresses appearing on the Registration Books. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee acceptable to the 2021 Insurer by an instrument in writing; provided, however, that in the event the Authority does not appoint a successor Trustee within 30 days following receipt of such notice of resignation, the resigning Trustee may, at the expense of the Authority, petition the appropriate court having jurisdiction to appoint a successor Trustee. Any resignation or removal of a Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

Any corporation, association or agency into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, provided that such entity meets the combined capital and surplus requirements of this Section, ipso facto, shall be and become successor trustee under this Indenture and vested with all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.03 Compensation of the Trustee. The City shall from time to time, subject to any written agreement then in effect with the Trustee, pay the Trustee reasonable compensation for all its services rendered hereunder and reimburse the Trustee for all its reasonable advances and expenditures (which shall not include “overhead expenses” except as such expenses are included as a component of the Trustee’s stated annual fees) hereunder, including but not limited to advances to and reasonable fees and reasonable expenses of accountants, agents, appraisers, consultants or other experts, and counsel not directly employed by the Trustee but an attorney or firm of attorneys retained by the Trustee, employed by it in the exercise and performance of its rights and obligations hereunder. The Trustee may take whatever legal actions are lawfully available to it directly against the Authority or the City.

The City shall, to the extent permitted by law, indemnify and save the Trustee harmless against any liabilities, costs, claims or expenses, including those of its attorneys, which it may incur in the exercise and performance of its powers and duties hereunder, under the Lease Agreement, or in connection with any document or transaction contemplated hereunder or thereunder, including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence or its misconduct. The duty of the City to indemnify the Trustee shall survive the termination and discharge of this Indenture and the earlier removal or resignation of the Trustee.

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers hereunder.

Upon an Event of Default, and only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of and premium, if any, and interest on any Bond, upon the trust estate for the foregoing fees, charges and expenses incurred by it. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 8.04 Protection of the Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any affidavit, bond, certificate, consent, notice, request, requisition, resolution, statement, telegram, voucher, waiver or other paper or document which it shall in good faith believe to be genuine and to have been adopted, executed or delivered by the proper party or pursuant to any of the provisions hereof, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall be under no obligation to exercise any of the rights or powers vested

in it by this Indenture at the request or direction of any of the Owners of the Bonds pursuant to this Indenture, unless such Owners shall have offered to the Trustee security or indemnity, reasonably satisfactory to the Trustee, against the reasonable costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. The Trustee may consult with counsel, who may be counsel to the Authority or the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by it hereunder in good faith in accordance therewith.

The Trustee shall not be responsible for the sufficiency of the Bonds or the Lease Agreement, or of the assignment made to it by the Assignment Agreement, or for statements made in any preliminary or final official statement relating to the Bonds, or of the title to the Property.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the City or a Written Certificate of the Authority, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it deems reasonable.

The Trustee may buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Owner may be entitled to take with like effect as if the Trustee were not a party hereto. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority or the City, and may act as agent, depository or trustee for any committee or body of Owners or of owners of obligations of the Authority or the City as freely as if it were not the Trustee hereunder.

The Trustee may, to the extent reasonably necessary, execute any of the trusts or powers hereof and perform any rights and obligations required of it hereunder by or through agents, attorneys or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its rights and obligations hereunder, and the Trustee shall not be answerable for the negligence or misconduct of any such agent, attorney or receiver selected by it with reasonable care; provided, however, that in the event of any negligence or misconduct of any such attorney, agent or receiver, the Trustee shall in a commercially reasonable manner pursue all remedies of the Trustee against such agent, attorney or receiver. The Trustee shall not be liable for any error of judgment made by it in good faith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be answerable for the exercise of any trusts or powers hereunder or for anything whatsoever in connection with the funds established hereunder, except only for its own willful misconduct, negligence or breach of an obligation hereunder.

The Trustee shall not be deemed to have knowledge of an event of default unless it has actual knowledge thereof.

The Trustee may, on behalf of the Owners, intervene in any judicial proceeding to which the Authority or the City is a party and which, in the opinion of the Trustee and its counsel, affects the Bonds or the security therefor, and shall do so if requested in writing by the Owners of at least 5% of the aggregate principal amount of Bonds then Outstanding, provided the Trustee shall have no duty to

take such action unless it has been indemnified to its reasonable satisfaction against all risk or liability arising from such action.

The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bonds.

All indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, officers, employees and agents of the Trustee.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful default. The Trustee shall have no responsibility or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Bonds. The Trustee shall not be accountable for the use or application by the Borrower of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or for the use and application of money received by any paying agent.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Authority or the City elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Authority and the City agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

In acting or omitting to act pursuant to the Lease Agreement or Ground Lease, the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Indenture and the Lease Agreement, including, but not limited to, this Article VIII.

ARTICLE IX

MODIFICATION OR AMENDMENTS

Section 9.01 Modifications and Amendments Permitted.

(a) This Indenture and the rights and obligations of the Authority, the City, the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority, the City and the Trustee may enter into with the written consent of the 2021 Insurer and the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, which shall have been filed with the Trustee. For purposes of this Section,

the 2021 Insurer shall be treated as the Owner of any Insured Series 2021 Bonds. No such modification or amendment shall (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or the rate of interest thereon, or extend the time of payment, without the consent of the 2021 Insurer and the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or (iii) permit the creation of any lien on the Base Rental Payments and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture or deprive the Owners of the Bonds of the lien created by this Indenture on such Base Rental Payments and other assets (except as expressly provided in this Indenture), without the consent of the 2021 Insurer and the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the 2021 Insurer or the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

(b) This Indenture and the rights and obligations of the Authority, the City, the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority, the City and the Trustee may enter into without the consent of any Bond Owners or the 2021 Insurer for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Authority or the City in this Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority or the City;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in this Indenture;

(3) to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of Article III hereof;

(4) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;

(5) to modify, amend or supplement this Indenture in such manner as to cause interest on the Bonds to be excludable from gross income for purposes of federal income taxation by the United States of America; and

(6) in any other respect whatsoever as the Authority and the City may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Bond Owners hereunder, in the opinion of Bond Counsel filed with the Authority, the City and the Trustee.

(c) Promptly after the execution by the Authority, the City and the Trustee of any Supplemental Indenture, the Trustee shall mail a notice (the form of which shall be furnished to the Trustee by the Authority), by first class mail postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owners of the Bonds at the respective addresses

shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(d) No Supplemental Indenture shall modify any of the rights or obligations of the Trustee without the 2021 Insurer's and the Trustee's prior written consent. No Supplemental Indenture shall modify any of the rights or obligations of the 2021 Insurer without the 2021 Insurer's prior written consent.

Section 9.02 Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the City, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.03 Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Authority so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Office of the Trustee a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand of the Owners of any Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same interest rate and maturity.

Section 9.04 Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by such Owner.

ARTICLE X

DEFEASANCE

Section 10.01 Discharge of Indenture. If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated herein and therein, then the Owners of such Bonds shall cease to be entitled to the pledge of the Base Rental Payments and the other assets as provided herein, and all agreements, covenants and other obligations of the Authority and the City to the Owners of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority, the City and the 2021 Insurer all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the City all money or securities held by it pursuant hereto which are not required for the payment of the principal of and interest and premium, if any, on such Bonds.

Subject to the provisions of the above paragraph, when any of the Bonds shall have been paid and if, at the time of such payment, the Authority and the City shall have kept, performed and observed all of the covenants and promises in such Bonds and in this Indenture required or contemplated to be kept, performed and observed by them on or prior to that time, then this Indenture shall be considered to have been discharged in respect of such Bonds and such Bonds shall cease to be entitled to the lien of this Indenture and such lien and all covenants, agreements and other obligations of the Authority and the City hereunder shall cease, terminate become void and be completely discharged as to such Bonds.

Notwithstanding the satisfaction and discharge of this Indenture or the discharge of this Indenture in respect of any Bonds, those provisions of this Indenture relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners of the Bonds and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on the Bonds, to pay to the Owners of Bonds the funds so held by the Trustee as and when such payment becomes due. Notwithstanding the satisfaction and discharge of this Indenture or the discharge of this Indenture in respect of any Bonds, those provisions of this Indenture relating to the compensation and indemnity of the Trustee shall remain in effect and shall be binding upon the Trustee, the City and the Authority.

Section 10.02 Bonds Deemed To Have Been Paid. If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Bonds and the interest thereon at the maturity or redemption date thereof, such Bonds shall be deemed to have been paid within the meaning and with the effect provided in Section 10.01 hereof. Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in Section 10.01 hereof if (a) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of Section 4.02 hereof, notice of redemption of such Bonds on said redemption date, said notice to be given in accordance with Section 4.02 hereof, (b) there shall have been deposited with the Trustee either (i) money in an amount which shall be sufficient, or (ii) Federal Securities that are not subject to redemption other than at the option of the holder thereof, the interest on and principal of which when paid will provide money which, together with the money, if any deposited or on deposit with the Trustee at the same time, shall, as verified by an independent certified public accountant, be sufficient to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on such Bonds, and (c) in the event such Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the owners of such Bonds that the deposit required by clause (b) above has been made with the Trustee and that such Bonds, are deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and premium, if any, on such Bonds.

[Notwithstanding the foregoing, the defeasance of the Insured Series 2021A Bonds may only be accomplished by: (i) well and truly paying or causing to be paid the principal, interest and redemption premiums (if any) on the Outstanding Insured Series 2021A Bonds as and when the same become due and payable, (ii) depositing cash into an escrow account in an amount sufficient to pay the

principal, interest and redemption premiums (if any) on the Outstanding Insured Series 2021A Bonds as and when the same become due and payable, or (iii) depositing non-callable, direct obligations of the United States of America into an escrow account which shall, upon maturity thereof, yield amounts necessary to pay the principal, interest and redemption premiums (if any) on the Outstanding Insured Series 2021A Bonds as and when the same become due and payable. At least three Business Days prior to any defeasance with respect to the Insured Series 2021A Bonds, the Authority shall deliver to the 2021 Insurer draft copies of an escrow agreement, an opinion of counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured Series 2021A Bonds, and a verification report prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and verification report shall be addressed to the 2021 Insurer and shall be in form and substance satisfactory to the 2021 Insurer.]

Section 10.03 Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of this Indenture, to the extent permitted by law, any moneys held by the Trustee in trust for the payment of the principal of, or premium or interest on, any Bonds and remaining unclaimed for two years after the date of deposit of such moneys, shall be repaid to the Authority (without liability for interest) free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Authority as aforesaid, the Trustee may (at the cost of the Authority) first mail, by first class mail postage prepaid, to the Owners of Bonds which have not yet been paid, at the respective addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Benefits of Indenture Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the Authority, the City, the 2021 Insurer, the Trustee and the Owners any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term required herein to be observed or performed by or on behalf of the Authority or the City shall be for the sole and exclusive benefit of the Trustee and the Owners.

Section 11.02 Successor Deemed Included in all References to Predecessor. Whenever the Authority, the City or the Trustee, or any officer thereof, is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Authority, the City or the Trustee, or such officer, and all agreements, conditions, covenants and terms required hereby to be observed or performed by or on behalf of the Authority, the City or the Trustee, or any officer thereof, shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 11.03 Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state

or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Trustee may accept which it may deem sufficient.

The ownership of any Bonds and the amount, payment date, number and date of owning the same may be proved by the Registration Books.

Any declaration, request or other instrument in writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done by the Authority, the City or the Trustee in good faith and in accordance therewith.

Section 11.04 Waiver of Personal Liability. Notwithstanding anything contained herein to the contrary, no member, officer or employee of the Authority or the City shall be individually or personally liable for the payment of any moneys, including without limitation, the principal of or interest on the Bonds, but nothing contained herein shall relieve any member, officer or employee of the City or the Authority from the performance of any official duty provided by any applicable provisions of law, by the Lease Agreement or hereby.

Section 11.05 Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee may, in lieu of such cancellation and delivery, destroy such Bonds.

Section 11.06 Funds and Accounts. Any fund or account required to be established and maintained herein by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund, but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Bonds and the rights of the Owners.

The Trustee may commingle any of the moneys held by it hereunder for investment purposes only; provided, however, that the Trustee shall account separately for the moneys in each fund or account established pursuant to this Indenture. The Trustee may establish such funds and accounts as it deems necessary or appropriate to perform its obligations hereunder.

Section 11.07 Article and Section Headings Gender and References. The singular form of any word used herein, including the terms defined in Section 1.01 hereof, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders. The headings or titles of the several Articles and Sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to “Articles,” “Sections,” subsections or clauses are to the corresponding Articles, Sections, subsections or clauses hereof, and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, subsection or clause thereof.

Section 11.08 Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms required herein to be observed or performed by or on the part of the Authority, the

City or the Trustee shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void to the extent contrary to law and shall be deemed separable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection and security afforded to them under any applicable provisions of law. The Authority, the City and the Trustee hereby declare that they would have executed this Indenture, and each and every Article, Section, paragraph, subsection, sentence, clause and phrase hereof and would have authorized the execution and delivery of the Bonds pursuant hereto irrespective of the fact that any one or more Articles, Sections, paragraphs, subsections, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 11.09 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are actually known by the Trustee to be owned or held by or for the account of the Authority or the City, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; except that, in determining whether the Trustee shall be protected in relying upon any such demand, request, direction, consent or waiver of an Owner, only Bonds which the Trustee actually knows to be owned or held by or for the account of the Authority or the City, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City, shall be disregarded unless all Bonds are so owned or held, in which case such Bonds shall be considered Outstanding for the purpose of such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the Authority and the City shall specify in a Written Certificate of the City and Authority those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such Certificate.

Section 11.10 Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 10.03 hereof but without any liability for interest thereon.

Section 11.11 Payment on Non-Business Days. In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such non-Business Day.

Section 11.12 California Law. This Indenture shall be construed and governed in accordance with the laws of the State of California.

Section 11.13 Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the City:	City of Fontana 8353 Sierra Avenue Fontana, California 92335 Attention: City Manager
If to the Authority:	Fontana Public Facilities Financing Authority c/o City of Fontana 8353 Sierra Avenue Fontana, California 92335 Attention: Executive Director
If to the Trustee:	U.S. Bank National Association 633 West Fifth St., 24th Floor Los Angeles, California 90071 Attention: Global Corporate Trust Services Ref: City of Fontana
If to 2021 Insurer:	

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of an appropriate answer back or other written acknowledgment, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (d) if given by any other means, upon delivery at the address specified in this Section.

Section 11.14 Notice to Rating Agencies. The Trustee shall provide S&P, if the Bonds are then rated by S&P, and Moody's, if the Bonds are then rated by Moody's, with prompt notice of any substitution or release of property pursuant to Sections 10.03 and 10.04 of the Lease Agreement.

Section 11.15 Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 11.16 Payment Procedure Under the Policy.

[To Come]

Section 11.17 [2021 Insurer as Third Party Beneficiary. The 2021 is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.]

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the Authority and the City have caused this Indenture to be signed in their respective names by their representative thereunto duly authorized, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written,

FONTANA PUBLIC FACILITIES FINANCING
AUTHORITY

By: _____
Executive Director

ATTEST:

Secretary

CITY OF FONTANA

By: _____
City Manager

ATTEST:

City Clerk

[SIGNATURES CONTINUED ON NEXT PAGE.]

[SIGNATURE PAGE CONTINUED.]

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Officer

EXHIBIT A

FORM OF SERIES 2021A BOND

No. _____

\$ _____

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.

**FONTANA PUBLIC FACILITIES FINANCING AUTHORITY
LEASE REVENUE BOND
SERIES 2021A**

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	November 1, 20__	_____, 2021	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS

The Fontana Public Facilities Financing Authority (the “Authority”), for value received, hereby promises to pay, solely from the Base Rental Payments (as hereinafter defined) or amounts in certain funds and accounts held under the Indenture (as hereinafter defined), 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 May 1 and November 1 in each year, commencing May 1, 2022 (the “Interest Payment Dates”), until payment of such Principal Amount in full. This Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth calendar day of the month next preceding such Interest Payment Date, whether or not such day is a Business Day, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to April 15, 2022, in which event it shall bear interest from the Dated Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, interest on this Bond shall be payable from the date to which interest hereon has been paid in full, payable on each Interest Payment Date). The Principal Amount hereof is payable upon surrender hereof upon maturity or earlier redemption at the Office of the Trustee (as hereinafter defined). Interest hereon is payable by wire or check of U.S. Bank National Association, as Trustee (the “Trustee”), mailed by first class mail, postage prepaid, on each Interest Payment Date to the Registered Owner hereof at the address of the Registered Owner shown on the

Registration Books at the close of business on the fifteenth calendar day of the month next preceding such Interest Payment Date. "Office of the Trustee" means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified to the Authority and the City of Fontana (the "City") by the Trustee in writing, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or the agency of the Trustee at which, at any particular time, its corporate trust agency shall be conducted as specified to the Authority and the City by the Trustee in writing.

This Bond is one of a series of a duly authorized issue of bonds issued for the purpose of financing and refinancing the Project (as defined in the Indenture), and is one of the series of bonds designated "Fontana Public Facilities Financing Authority Lease Revenue Bonds Series 2021A" (the "Series 2021A Bonds") in the aggregate principal amount of \$_____. The Series 2021A Bonds are issued pursuant to the Indenture, dated as of November 1, 2021 (the "Indenture"), by and among the Authority, the City 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. Pursuant to and as more particularly provided in the Indenture, additional bonds ("Additional Bonds"), may be issued by the Authority secured by a lien on a parity with the lien securing the Series 2021A Bonds. The Series 2021A Bonds and any Additional Bonds are collectively referred to as the "Bonds." The Indenture is entered into, and this Bond is issued under, the Marks-Roos Local Bond Pooling Act of 1985 (the "Act") and the laws of the State of California.

Pursuant to the Indenture, the principal of and interest on the Bonds are payable solely from certain base rental payments (the "Base Rental Payments") under and pursuant to that certain Lease Agreement, dated as of November 1, 2021 (the "Lease Agreement"), by and between the City, as lessee, and the Authority, as lessor, all of which rights to receive such Base Rental Payments have been assigned without recourse by the Authority to the Trustee. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Base Rental Payments and any other amounts (including proceeds of the sale of the Bonds) held in the Base Rental Payment Fund, the Interest Fund, the Principal Fund and the Redemption Fund established under the Indenture are pledged 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. Said pledge constitutes a first lien on such assets.

The Series 2021A Bonds are authorized to be issued in the form of fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof ("Authorized Denominations").

The Series 2021A Bonds shall be subject to redemption, in whole or in part, on any date, in Authorized Denominations, from and to the extent of any Net Insurance Proceeds received with respect to all or a portion of the Property, deposited by the Trustee in the Redemption Fund pursuant to the Indenture, at a Redemption Price equal to the principal amount of the Series 2021A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

The Series 2021A Bonds maturing on or after November 1, 20__, shall be subject to optional redemption, in whole or in part, on any date on or after November 1, 20__, in Authorized Denominations, from and to the extent of prepaid Base Rental Payments paid pursuant to the Lease Agreement, at a Redemption Price equal to the principal amount of the Series 2021A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

The Series 2021A Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on each November 1 on and after November 1, 20__, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

<i>Sinking Fund Redemption Date</i> <i>(November 1)</i>	<i>Principal Amount</i> <i>To Be Redeemed</i> \$_____
--	---

(maturity)

The Series 2021A Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on each November 1 on and after November 1, 20__, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

<i>Sinking Fund Redemption Date</i> <i>(November 1)</i>	<i>Principal Amount</i> <i>To Be Redeemed</i> \$_____
--	---

(maturity)

The Trustee on behalf and at the expense of the Authority shall mail (by first class mail) notice of any redemption to the respective Owners of any Series 2021A Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Securities Depositories and to one or more Information Services, at least 20 but not more than 60 days prior to the date fixed for redemption. Such notice shall state the date of the notice, the redemption date, the redemption place and the Redemption Price and shall designate the CUSIP numbers, the Series 2021A Bond numbers and the maturity or maturities (except in the event of redemption of all of the Series 2021A Bonds of such maturity or maturities in whole) of the Series 2021A Bonds to be redeemed, and shall require that such Series 2021A Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such Series 2021A Bonds will not accrue from and after the date fixed for redemption. Such notice may state that such redemption is conditioned upon sufficient funds being on deposit on the redemption date to redeem the Series 2021A Bonds so called for redemption. Such notice of redemption may also state that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Series 2021A Bonds. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the Series 2021A Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, fully registered Series 2021A Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount and maturity of fully registered Series 2021A Bonds of other authorized denominations.

This Bond is transferable by the Registered Owner hereof, in person or by his duly authorized attorney, but only in the manner, subject to the limitations and upon payment of the charges provided

in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Series 2021A Bond or Series 2021A Bonds, in Authorized Denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Authority, the City and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority, the City and the Trustee shall not be affected by any notice to the contrary.

The Indenture and the rights and obligations of the Authority, the City, the owners of the Bonds and the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the fixed maturity of any Bonds, or reduce the principal thereof or the rate of interest thereon, or extend the time of payment, without the consent of the owner of each Bond so affected, or, (b) reduce the percentage of Bonds the consent of the owners of which is required to effect any such amendment or modification, or (c) permit the creation of any lien on the Base Rental Payments and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture or deprive the owners of the Bonds of the lien created by the Indenture on such the Base Rental Payments and such other assets (except as expressly provided in the Indenture), without the consent of the owners of all Bonds then outstanding.

The Indenture contains provisions permitting the Authority to make provision for the payment of interest on, and the principal and premium, if any, of any of the Bond so that such Bonds shall no longer be deemed to be outstanding under the terms of the Indenture.

All obligations of the Authority under the Indenture and under the Bonds shall be special obligations of the Authority, payable solely from Rental Payments and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the Authority, the City or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

IN WITNESS WHEREOF, the Authority has caused this Bond to be signed in its name and on its behalf by the facsimile signatures of its Chairperson and Secretary, all as of the Dated Date identified above.

FONTANA PUBLIC FACILITIES FINANCING
AUTHORITY

By: _____
Chairperson

Attest:

Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Series 2021A Bonds described in the within-mentioned Indenture and registered on the Registration Books.

Date: _____, 2021

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

STATEMENT OF INSURANCE

[FORM OF LEGAL OPINION]

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

Secretary of the Board of the Fontana Public Facilities
Financing Authority

[FORM OF 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(s) must be guaranteed by an eligible guarantor.

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.

EXHIBIT B

FORM OF PROJECT FUND REQUISITION

**REQUISITION NO. ____ FOR
DISBURSEMENT FROM PROJECT FUND**

The undersigned hereby states and certifies:

(i) that he/she is the duly appointed, qualified and acting _____ of the City of Fontana, a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California (the “City”), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that, pursuant to Section 3.05 of the Indenture, dated as of November 1, 2021 (the “Indenture”), by and among the Fontana Public Facilities Financing Authority (the “Authority”), the City and U.S. Bank National Association, as trustee (the “Trustee”), related to the Authority’s Lease Revenue Bonds, Series 2021A, the undersigned hereby requests the Trustee to disburse this date the following amounts from the Project Fund established under the Indenture, to the payees designated on the attached Exhibit A;

(iii) that each obligation mentioned herein has been incurred by the City and is a proper charge against the Project Fund; and

(iv) that there has not been filed with or served upon the City notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the payees named on the attached Exhibit A, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by mere operation of law.

All capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Indenture.

Dated: _____

CITY OF FONTANA

By: _____

Its: _____

EXHIBIT A
PROJECT FUND DISBURSEMENTS

<i>Item Number</i>	<i>Payee Name and Address</i>	<i>Purpose of Obligation</i>	<i>Amount</i>
_____			_____
_____			_____
_____			_____
_____			_____
_____			_____

LEASE AGREEMENT

by and between

CITY OF FONTANA

and

FONTANA PUBLIC FACILITIES FINANCING AUTHORITY

Dated as of November 1, 2021

Relating to

\$_____
FONTANA PUBLIC FACILITIES FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2021A

TABLE OF CONTENTS

	Page
ARTICLE I	DEFINITIONS 2
Section 1.01	Definitions 2
ARTICLE II	LEASE OF PROPERTY; TERM 5
Section 2.01	Lease of Property 5
Section 2.02	Term; Occupancy 5
ARTICLE III	RENTAL PAYMENTS 6
Section 3.01	Base Rental Payments 6
Section 3.02	Additional Rental Payments 6
Section 3.03	Fair Rental Value 7
Section 3.04	Payment Provisions 7
Section 3.05	Appropriations Covenant 7
Section 3.06	Rental Abatement 7
ARTICLE IV	ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF THE 2021 PROJECT 8
Section 4.01	Deposit of Bond Proceeds; City Deposit 8
Section 4.02	Acquisition, Construction and Improvement of the 2021 Project 8
Section 4.03	Compliance with Law 8
Section 4.04	Payment of Costs 8
Section 4.05	Time of Completion and Liquidated Damages 8
Section 4.06	Construction and Acquisition of the 2021 Project 9
Section 4.07	Completion Date; Certification 9
ARTICLE V	MAINTENANCE, ALTERATIONS AND ADDITIONS 10
Section 5.01	Modification of the Property 10
Section 5.02	Maintenance and Utilities 10
Section 5.03	Installation of City's Equipment 11
ARTICLE VI	INSURANCE 11
Section 6.01	Commercial General Liability and Property Damage Insurance; Workers' Compensation Insurance 11
Section 6.02	Title Insurance 12
Section 6.03	Additional Insurance Provision; Form of Policies 12
Section 6.04	Self-Insurance 13
ARTICLE VII	DEFAULTS AND REMEDIES 13
Section 7.01	Defaults and Remedies 13
Section 7.02	Waiver 16
ARTICLE VIII	EMINENT DOMAIN; PREPAYMENT 16
Section 8.01	Eminent Domain 16
Section 8.02	Prepayment 16
ARTICLE IX	COVENANTS 17
Section 9.01	Right of Entry 17
Section 9.02	Liens 17

TABLE OF CONTENTS
(continued)

	Page
Section 9.03	Quiet Enjoyment..... 18
Section 9.04	Authority Not Liable..... 18
Section 9.05	Assignment and Subleasing..... 18
Section 9.06	Title to Property..... 19
Section 9.07	Authority's Purpose..... 19
Section 9.08	Representations of the City..... 19
Section 9.09	Representation of the Authority..... 19
 ARTICLE X	 NO CONSEQUENTIAL DAMAGES; USE OF THE PROPERTY; SUBSTITUTION OR RELEASE..... 19
Section 10.01	No Consequential Damages..... 19
Section 10.02	Use of the Property 19
Section 10.03	Substitution or Release of the Property 20
Section 10.04	Release of Police Facility 21
 ARTICLE XI	 MISCELLANEOUS 22
Section 11.01	Law Governing 22
Section 11.02	Notices 22
Section 11.03	Validity and Severability 22
Section 11.04	Net-Net-Net Lease 22
Section 11.05	Taxes..... 23
Section 11.06	Section Headings 23
Section 11.07	Amendments 23
Section 11.08	Assignment 24
Section 11.09	the 2021 Insurer as Third Party Beneficiary 24
Section 11.10	Execution 24
 SIGNATURES.....	 S-1
 EXHIBIT A	 LEGAL DESCRIPTION OF THE PROPERTY A-1
EXHIBIT B	DESCRIPTION OF THE FACILITIES B-1
EXHIBIT C	BASE RENTAL PAYMENT SCHEDULE C-1

LEASE AGREEMENT

THIS LEASE AGREEMENT (this “Lease Agreement”) executed and entered into as of November 1, 2021, is by and between the CITY OF FONTANA (the “City”), a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California, as lessee, and the FONTANA PUBLIC FACILITIES FINANCING AUTHORITY (the “Authority”), a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California, as lessor.

RECITALS

WHEREAS, the City previously financed a portion of the costs of the acquisition, construction and installation of certain public capital improvements in the City including Fire Station No. 71, as more fully described in the proceedings for the issuance of the 2010 Bonds (defined below) (the “2010 Project”);

WHEREAS, the City determined to provide the funds necessary to finance the acquisition, construction and installation of the 2010 Project through issuance by the Fontana Public Financing Authority of its 2010 Lease Revenue Bonds (Taxable Recovery Zone Economic Development Bonds) (the “2010 Bonds”), payable from certain lease payments to be made by the City under a lease agreement;

WHEREAS, the City and the Authority desire to finance the acquisition, construction, and installation of certain public capital improvements in the City, including a new Fire Station No. 81 and a Fire Protection District Training Facility located on the site of future Fire Station No. 80 (collectively, the “2021 Project”; and, together with the 2010 Project, the “Project”);

WHEREAS, the City and Authority desire to refinance all or a portion of the 2010 Project and finance all or a portion of the 2021 Project;

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the “Fontana Public Facilities Financing Authority Lease Revenue Bonds, Series 2021A” (the “Series 2021A Bonds”) for the purpose of refinancing the 2010 Project, the 2010 Bonds and the City’s related lease payments, and financing the 2021 Project;

WHEREAS, in order to facilitate the issuance of the Series 2021A Bonds, the City will lease certain real property and the improvements located thereon (the “Property”) to the Authority pursuant to a Ground Lease, dated as of the date hereof, and the City will sublease the Property back from the Authority pursuant to this Lease Agreement;

WHEREAS, the City and the Authority desire to provide for the issuance of the Series 2021A Bonds pursuant to an Indenture, dated as of the date hereof, by and among the Authority, the City and U.S. Bank National Association, as trustee (the “Trustee”);

WHEREAS, the Series 2021A Bonds are payable from base rental payments (the “Base Rental Payments”) to be made by the City hereunder;

WHEREAS, all rights to receive the Base Rental Payments have been assigned without recourse by the Authority to the Trustee pursuant to an Assignment Agreement, dated as of the date hereof; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Lease Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Lease Agreement;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease Agreement, have the meanings herein specified, which meanings shall be equally applicable to both the singular and plural forms of any of the terms herein defined. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

“Additional Bonds” means bonds other than the Series 2021A Bonds issued under the Indenture in accordance with the provisions thereof

“Additional Rental Payments” means all amounts payable by the City as Additional Rental Payments pursuant to Section 3.02 hereof.

“Authority” means the Fontana Public Facilities Financing Authority, a joint exercise of powers authority organized and existing under the laws of the State of California.

“Base Rental Deposit Date” means the third (3rd) Business Day next preceding each Interest Payment Date.

“Base Rental Payments” means all amounts payable to the Authority from the City as Base Rental Payments pursuant to Section 3.01 hereof.

“Base Rental Payment Schedule” means the schedule of Base Rental Payments payable to the Authority from the City pursuant to Section 3.01 hereof and attached hereto as Exhibit B.

“Bonds” means the Fontana Public Facilities Financing Authority Lease Revenue Bonds Series 2021A issued under the Indenture, and any Additional Bonds.

“City” means the City of Fontana, a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California.

“Completion Certificate” means a certificate of an Authorized City Representative delivered pursuant to Section 4.07 hereof to the effect that the 2021 Project, or the portion thereof to which such

certificate relates, has been completed substantially in conformity with the plans and specifications for the 2021 Project or such portion thereof.

“Costs” “means, with respect to the 2021 Project, together with any other proper item of cost not specifically mentioned herein, (a) costs of payment of, or reimbursement for, acquisition, design, construction, rehabilitation, installation, delivery and financing of the 2021 Project, including, but not limited to, the payment of real property rental, administrative costs and capital expenditures relating to acquisition, construction and installation, inspection costs, filing and recording costs, printing costs, reproduction and binding costs, fees and charges of the Trustee pursuant to the Indenture and other financing documents, legal fees and charges, financial, accounting and other professional consultant fees, costs of rating agencies or credit ratings, fees for the printing, execution, transportation and safekeeping of the Series 2021A Bonds; (b) all other costs which the City shall be required to pay under the terms of any contract or contracts for the acquisition, construction, delivery and installation of the 2021 Project, including, but not limited to, the cost of insurance; (c) any sums required to reimburse the City for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to the 2021 Project; (d) any costs paid from the Net Proceeds to repair, restore or replace the 2021 Project; and (e) such other expenses not specified herein as may be necessary or incidental to the acquisition, construction, delivery and installation of the 2021 Project, the financing thereof and the placing of the same in use and operation. Costs, as defined herein, shall be deemed to include the cost and expenses incurred by any agent of the City for any of the above mentioned items.

“Delivery Date” means November __, 2021.

“Final Termination Date” means November 1, 2051, unless extended or sooner terminated as provided in Section 2.02 hereof.

“Fire Facilities” means that portion of the Property consisting of Fire Station No. 71, Fire Station No. 81, and the Fire Protection District Training Facility.

“Fire Protection District Training Facility” means the real property described as the Fire Protection District Training Facility in Exhibit A hereto and the improvements located thereon, including the future Fontana Fire Protection District training facility located thereon.

“Fire Station No. 71” means the real property described as Fire Station No. 71 in Exhibit A hereto and the improvements located thereon, including the San Bernardino County Fire Station No. 71 located at 16980 Arrow Blvd, Fontana, California 92335.

“Fire Station No. 81” means the real property described as Fire Station No. 81 in Exhibit A hereto and the improvements located thereon, including the future San Bernardino County Fire Station No. 81 located thereon.

“Ground Lease” means the Ground Lease, dated as of the date hereof, by and between the City and the Authority, as originally executed and as it may from time to time be amended in accordance with to the provisions thereof and hereof.

“Indenture” means the Indenture, dated as of the date hereof, by and among the Authority, the City and the Trustee, as originally executed and as it may from time to time be amended or supplemented in accordance with the provisions thereof.

“Joint Powers Agreement” means the Joint Exercise of Powers Agreement, dated as of September 1, 2014, by and between the City and the Fontana Fire Protection District, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“Lease Agreement” means this Lease Agreement, as originally executed and as it may from time to time be amended in accordance with the provisions hereof.

“Net Insurance Proceeds” means any insurance proceeds or condemnation award in excess of \$50,000, paid with respect to any of the Property, remaining after payment therefrom of all reasonable expenses incurred in the collection thereof.

“Permitted Encumbrances” means, with respect to the Property, as of any particular time, (a) liens for general *ad valorem* taxes and assessments, if any, not then delinquent, or which the City may, pursuant to provisions of Article VI hereof, permit to remain unpaid, (b) the Assignment Agreement, (c) this Lease Agreement, (d) the Ground Lease, (e) the Solar Energy System Lease Agreement, (f) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law as normally exist with respect to properties similar to the Property for the purposes for which it was acquired or is held by the City, (g) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Delivery Date which the City certifies in writing will not affect the intended use of the Property or impair the security granted to the Trustee for the benefit of the Owners of the Bonds by the Indenture and the Assignment Agreement and to which the 2021 Insurer, the Authority and the City consent in writing, and (h) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the Delivery Date which the City certifies in writing do not affect the intended use of the Property or impair the security granted to the Trustee for the benefit of the Owners of the Bonds by the Indenture and the Assignment Agreement and to which the 2021 Insurer, the Authority and the City consent in writing.

“Police Facility” means the real property described as the Ben L. Abernathy Police Facility in Exhibit A hereto and the improvements located thereon, including City of Fontana Police Department building located at 17005 Upland Avenue, Fontana, California 92335.

“Property” means the 2051 Termination Parcels, and until the Termination Date applicable to Fire Station No. 71, Fire Station No. 71.

“Rental Payments” means, collectively, the Base Rental Payments and the Additional Rental Payments.

“Rental Period” means the twelve-month period commencing on November 1 of each year during the term of the Lease Agreement.

“Solar Energy System Lease Agreement” means the Solar Energy System Lease Agreement, dated January 7, 2019, by and between the City, as lessor, and General Electric International, Inc., a Delaware limited liability company, as lessee.

“Series 2021A Bonds” means the Fontana Public Facilities Financing Authority Lease Revenue Bonds, Series 2021A issued under the Indenture.

“Termination Date” means (i) November 1, 2042 with respect to Fire Station No. 71, and (ii) November 1, 2051, with respect to the 2051 Termination Parcels, unless extended or sooner terminated as provided in Section 2.02 hereof.

“Trustee” means the trustee appointed under the Indenture and referred to therein as the Trustee.

“2051 Termination Parcels” means the Police Facility, Fire Station No. 81 and the Fire Protection District Training Facility and the improvements located thereon.

ARTICLE II

LEASE OF PROPERTY; TERM

Section 2.01 Lease of Property.

(a) The Authority hereby leases to the City and the City hereby leases from the Authority the Property, on the terms and conditions hereinafter set forth, subject to all Permitted Encumbrances.

(b) The leasing of the Property by the City to the Authority pursuant to the Ground Lease shall not effect or result in a merger of the City’s leasehold estate pursuant to this Lease Agreement and its fee estate as lessor under the Ground Lease, and the Authority shall continue to have a leasehold estate in the Property pursuant to the Ground Lease throughout the term thereof and hereof. The leasehold interest granted by the City to the Authority pursuant to the Ground Lease is and shall be independent of this Lease Agreement; this Lease Agreement shall not be an assignment or surrender of the leasehold interest granted to the Authority under the Ground Lease.

Section 2.02 Term; Occupancy. The term of this Lease Agreement shall commence on the Delivery Date and shall end on the applicable Termination Date, unless such term is extended or sooner terminated as hereinafter provided. If on the applicable Termination Date the Bonds shall not be fully paid, or provision therefor made in accordance with Article X of the Indenture, or the Indenture shall not be discharged by its terms, or if the Rental Payments shall remain due and payable or shall have been abated at any time and for any reason, or amounts shall be due and owing hereunder or under the Indenture to the 2021 Insurer, then the term of this Lease Agreement shall be extended until the date upon which (i) all Bonds shall be fully paid, or provision therefor made in accordance with Article X of the Indenture, (ii) the Indenture shall be discharged by its terms and all Rental Payments shall have been paid in full or (iii) all amounts due and owing to the 2021 Insurer hereunder or under the Indenture shall be fully paid. Notwithstanding the foregoing, the term of this Lease Agreement shall in no event be extended more than ten years beyond the applicable Termination Date, such extended date being the “Maximum Lease Term.” If prior to the Final Termination Date, all Bonds shall be fully paid, or provision therefor made in accordance with Article X of the Indenture, the Indenture shall be discharged by its terms and all Rental Payments shall have been paid in full, then the term of this Lease Agreement shall end simultaneously therewith.

ARTICLE III

RENTAL PAYMENTS

Section 3.01 Base Rental Payments.

(a) Subject to the provisions hereof relating to a revision of the Base Rental Payment Schedule pursuant to subsection (b) of this Section, the City shall pay to the Authority, as Base Rental Payments (subject to the provisions of Section 3.06 and Article VIII hereof) the amount at the times specified in the Base Rental Payment Schedule, a portion of which Base Rental Payments shall constitute principal, and a portion of which shall constitute interest. Rental Payments, including Base Rental Payments, shall be paid by the City to the Authority for and in consideration of the right to use and occupy the Property and in consideration of the continued right to the quiet use and enjoyment thereof during each Rental Period for which such Rental Payments are to be paid.

The obligation of the City to make the Base Rental Payments does not constitute a debt of the City or of the State of California, or of any political subdivision thereof, within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the City or the State of California is obligated to levy or pledge any form of taxation or for which the City or the State of California has levied or pledged any form of taxation.

(b) If the term of this Lease Agreement shall have been extended pursuant to Section 2.02 hereof, the obligation of the City to pay Rental Payments shall continue to and including the Base Rental Deposit Date preceding the date of termination of this Lease Agreement (as so extended pursuant to Section 2.02 hereof). Upon such extension, the Base Rental Payments shall be established so that they will be sufficient to pay all extended and unpaid Base Rental Payments; provided, however, that the Rental Payments payable in any Rental Period shall not exceed the annual fair rental value of the Property.

Section 3.02 Additional Rental Payments. The City shall also pay, as Additional Rental Payments, such amounts as shall be required for the payment of the following:

(a) all taxes and assessments of any type or nature charged to the Authority or the City or affecting the Property or the respective interests or estates of the Authority or the City therein;

(b) all reasonable administrative costs of the Authority relating to the Property including, but without limiting the generality of the foregoing, salaries, wages, fees and expenses, compensation and indemnification of the Trustee payable by the Authority under the Indenture, fees of auditors, accountants, attorneys or engineers, and all other necessary and reasonable administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Indenture or the Lease Agreement or to defend the Authority and its members, officers, agents and employees;

(c) insurance premiums for all insurance required pursuant to Article VI hereof;

(d) any amounts with respect to the Lease Agreement or the Bonds required to be rebated to the federal government in accordance with Section 148(f) of the Code;

(e) all amounts due to the 2021 Insurer under the Indenture; and

(f) all other payments required to be paid by the City under the provisions of this Lease Agreement or the Indenture.

Amounts constituting Additional Rental Payments payable hereunder shall be paid by the City directly to the person or persons to whom such amounts shall be payable. The City shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60 days after notice in writing from the Trustee to the City stating the amount of Additional Rental Payments then due and payable and the purpose thereof.

Section 3.03 Fair Rental Value. The parties hereto have agreed and determined that the annual fair rental value of the Property is not less than the maximum annual Rental Payments due in any year. In making such determination of fair rental value, consideration has been given to the uses and purposes that may be served by the Property and the benefits therefrom which will accrue to the City and the general public. Payments of the Rental Payments for the Property during each Rental Period shall constitute the total rental for said Rental Period.

Section 3.04 Payment Provisions. Each installment of Base Rental Payments payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Authority at the principal office of the Trustee in Los Angeles, California, or such other place or entity as the Authority or Trustee shall designate. Each Base Rental Payment shall be deposited with the Trustee no later than the Base Rental Deposit Date preceding the Interest Payment Date on which such Base Rental Payment is due. Any Base Rental Payment which shall not be paid by the City when due and payable under the terms of this Lease Agreement shall bear interest from the date when the same is due hereunder until the same shall be paid at the rate equal to the highest rate of interest on any of the Outstanding Bonds. Notwithstanding any dispute between the Authority and the City, the City shall make all Rental Payments when due without deduction or offset of any kind and shall not withhold any Rental Payments pending the final resolution of such dispute. In the event of a determination that the City was not liable for said Rental Payments or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent Rental Payments due hereunder or refunded at the time of such determination. Amounts required to be deposited by the City with the Trustee pursuant to this Section on any date shall be reduced to the extent of available amounts on deposit in the Base Rental Payment Fund, the Interest Fund or the Principal Fund.

Section 3.05 Appropriations Covenant. The City covenants to take such action as may be necessary to include all Rental Payments due hereunder as a separate line item in its annual budgets and to make necessary annual appropriations for all such Rental Payments. The City will deliver to the Authority and the Trustee a Certificate of the City stating that its final annual budget includes all Base Rental Payments due in such fiscal year within ten days after the filing or adoption thereof. The covenants on the part of the City herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the City.

Section 3.06 Rental Abatement. Except as otherwise specifically provided in this Section, during any period in which, by reason of material damage to, or destruction or condemnation of, the Property, or any defect in title to the Property, there is substantial interference with the City's right to use and occupy any portion of the Property, Rental Payments shall be abated proportionately, and the City waives the benefits of Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all other

rights to terminate the Lease Agreement by virtue of any such interference, and the Lease Agreement shall continue in full force and effect. The amount of such abatement shall be agreed upon by the City and the Authority; provided, however, that the Rental Payments due for any Rental Period shall not exceed the annual fair rental value of that portion of the Property available for use and occupancy by the City during such Rental Period. The City and the Authority shall calculate such abatement and shall provide the Trustee with a certificate setting forth such calculation and the basis therefor. Such abatement shall continue for the period commencing with the date of interference resulting from such damage, destruction, condemnation or title defect and, with respect to damage to or destruction of the Property, ending with the substantial completion of the work of repair or replacement of the Property, or the portion thereof so damaged or destroyed; and the term of this Lease Agreement shall be extended as provided in Section 2.02 hereof, except that the term shall in no event be extended beyond the Maximum Lease Term.

Notwithstanding the foregoing, to the extent that moneys are available for the payment of Rental Payments in any of the funds and accounts established under the Indenture, Rental Payments shall not be abated as provided above but, rather, shall be payable by the City as a special obligation payable solely from said funds and accounts.

ARTICLE IV

ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF THE 2021 PROJECT

Section 4.01 Deposit of Bond Proceeds; City Deposit. Upon the issuance of the Series 2021A Bonds, the Authority agrees that all proceeds of the Series 2021A Bonds shall be paid to the Trustee and that such moneys shall be deposited with the Trustee and be applied as provided in Section 3.02 of the Indenture

Section 4.02 Acquisition, Construction and Improvement of the 2021 Project. The City agrees to acquire, construct, deliver and install any portion of the 2021 Project to be financed with the proceeds of the Series 2021A Bonds, or to cause such portion to be acquired, constructed, delivered and installed, with the proceeds of Series 2021A Bonds paid to the City by the Authority pursuant to Section 4.01 above and the Authority shall have no responsibility with respect thereto.

Section 4.03 Compliance with Law. The City shall comply with all applicable provisions for bids and contracts prescribed by law with respect to the 2021 Project, including, without limitation, any applicable environmental review and approvals, Sections 20110 et seq. of the Public Contracts Code and Article 42 (commencing with Section 20670) of Part 3 of Division 2 of the Public Contracts Code. The City acknowledges and agrees that specific expenditures for all or any portion of the 2021 Project, as now or hereafter designated, are expressly subject to compliance with such requirements.

Section 4.04 Payment of Costs. Payment of Costs shall be made from the moneys deposited with the Trustee in the Project Fund as provided in Section 4.01 hereof and Section 3.05 of the Indenture, which shall be disbursed from the Project Fund in accordance and upon compliance with Section 3.05 of the Indenture.

Section 4.05 Time of Completion and Liquidated Damages. The construction and equipping of the 2021 Project shall be completed on or prior to November 1, 2024, subject to excused delays pursuant to standard City procedures. It is agreed that, if the City does not cause the completion of the acquisition, construction, equipping and installation of the 2021 Project by its completion date

specified above by construction contractors or a construction manager, whichever the City deems appropriate, liquidated damages will be assessed against the construction contractor for each day of unexcused delay in completion (in accordance with standard City procedure). The City shall cause to be paid to the Trustee all amounts received as liquidated damages for application toward the Base Rental Payments.

Each construction contractor hired by the City shall be required to provide payment and performance bonds in amounts equal to the maximum price under its contract.

Section 4.06 Construction and Acquisition of the 2021 Project. The City agrees to oversee the construction, acquisition, delivery and installation of the 2021 Project in accordance with the following terms:

(a) Construction and Completion. The City agrees to proceed with all due diligence to complete the construction, acquisition, delivery and installation of the 2021 Project, all in accordance with the plans and specifications for the 2021 Project (the “Plans and Specifications”) approved by the City Engineer. The City shall comply with all statutes and laws applicable to the performance of its obligations hereunder, including all public laws applicable thereto and all laws regarding the approval, acquisition and construction of public projects by cities in the State of California. The City shall make certain that each contract relating to the 2021 Project is awarded in accordance with applicable law and contains a scheduled completion date which requires completion on or before the scheduled completion date referred to in Section 4.05 above;

(b) Change Orders. Subject to any other restrictions imposed upon the City, the City may approve any changes to the Plans and Specifications so long as any change does not, and all such changes as a whole do not, (i) substantially alter the nature of the 2021 Project, (ii) delay the completion of the 2021 Project beyond November 1, 2024, (iii) reduce the fair rental value of the 2021 Project, or (iv) increase the total Costs of the 2021 Project to an amount in excess of the amount in the Project Fund unless there has been deposited with the City an amount equal to such excess or unless there has been deposited with the City a certificate of an Authorized Representative of the City, together with a revised construction budget demonstrating that the total amount on deposit to pay for the Project is adequate to allow the completion of the Project as planned;

(c) Payment of Costs of the 2021 Project. Payment of the portion of the Costs of the Project being financed by the City shall be made from moneys deposited in the Project Fund, and shall be disbursed for such purpose in accordance and upon compliance with the Indenture. Neither the Authority nor the City shall be liable for the payment of Costs of the 2021 Project other than from amounts on deposit in the Project Fund; and

(d) Unexpended Monies. The City agrees that unexpended moneys remaining in the Project Fund shall, upon payment in full of all Costs of the 2021 Project, be applied solely in accordance with the provisions of the Indenture.

Section 4.07 Completion Date; Certification. Upon the completion of acquisition, construction, delivery and installation of the portion of the 2021 Project to be financed with each issue of Bonds, the City shall deliver to the Trustee a Completion Certificate with respect thereto. On the date of filing a Completion Certificate concerning that portion of the 2021 Project financed with proceeds of Series 2021A Bonds, all excess moneys remaining in the Project Fund for the Series 2021A

Bonds for which such Completion Certificate is delivered shall be applied in accordance with the provisions of Section 3.05 of the Indenture.

ARTICLE V

MAINTENANCE, ALTERATIONS AND ADDITIONS

Section 5.01 Modification of the Property.

(a) Subject to Section 9.02 hereof, the City and any sublessee shall, at its own expense, or with the proceeds of Additional Bonds, have the right to make additions, modifications, and improvements to any portion of the Property if such improvements are necessary or beneficial for the use of such portion of the Property. All such additions, modifications and improvements shall thereafter comprise part of the Property and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way cause an abatement of Rental Payments with respect to the Property or cause it to be used for purposes other than those authorized under the provisions of State and federal law or in any way which would impair the State tax-exempt status or the exclusion from gross income for federal income tax purposes of the interest on the Bonds and Additional Bonds (to the extent such Additional Bonds were issued as tax exempt Bonds); and the Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall have an annual fair rental value which is not less than the annual Rental Payments.

(b) Subject to Section 9.02 hereof, the City and any sublessee shall, at its own expense, or with the proceeds of Additional Bonds, have the right to make replacements, redevelopment or renovation of all or a portion of the Property if the following conditions precedent are satisfied:

(i) The City receives an opinion of Bond Counsel, a copy of which the City shall furnish to the Authority and the Trustee, that (1) such replacement does not adversely affect the federal income tax exclusion or the State tax-exempt status of the interest with respect to the Bonds and Additional Bonds (to the extent such Additional Bonds were issued as tax exempt Bonds), and (2) this Lease will remain the legal, valid, binding and enforceable obligation of the City;

(ii) In the event such replacement, redevelopment or renovation would result in the temporary abatement of Rental Payments as provided in Section 3.06 hereof the City shall have notified any rating agency then providing a rating on the Bonds and shall deposit moneys with the Trustee in advance for payment of Rental Payments from the proceeds of Additional Bonds or from special funds of the City or other moneys, the application of which would not, in the opinion of Bond Counsel (a copy of which shall have been delivered to the Trustee), result in such Rental Payments constituting indebtedness of the City in contravention of the Constitution and laws of the State; and

(iii) The City shall certify to the Trustee that it has sufficient funds to complete such replacement, redevelopment or renovation.

Section 5.02 Maintenance and Utilities. Throughout the term of this Lease Agreement, as part of the consideration for rental of the Property, all improvement, repair and maintenance of the Property shall be the responsibility of the City, and the City shall pay for or otherwise arrange for the payment of all utility services supplied to the Property, which may include, without limitation, janitor service, security, power gas, telephone, light, heating, ventilation, air conditioning, water and all other

utility services, and shall pay for or otherwise arrange for payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the City or any assignee or sublessee thereof. In exchange for the Rental Payments, the Authority agrees to provide only the Property.

Section 5.03 Installation of City's Equipment. The City and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed items of equipment or other personal property in or upon the Property. All such items shall remain the sole property of the City or such sublessee, and neither the Authority nor the Trustee shall have any interest therein. The City or such sublessee may remove or modify such equipment or other personal property at any time, provided that such party shall repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement shall prevent the City or any sublessee from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Property.

ARTICLE VI

INSURANCE

Section 6.01 Commercial General Liability and Property Damage Insurance; Workers' Compensation Insurance.

(a) The City shall maintain or cause to be maintained, throughout the term of this Lease Agreement, a standard commercial general liability insurance policy or policies in protection of the City, the Authority and their respective members, officers, agents and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or ownership of the Property. Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in a single accident or event, and in a minimum amount of \$500,000 for damage to property (subject to a deductible clause of not to exceed \$100,000) resulting from a single accident or event. Such commercial general liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the City, and may be maintained in whole or in part in the form of self-insurance by the City provided such self-insurance complies with the provisions of Section 6.04 hereof. The Net Insurance Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the Net Insurance Proceeds of such insurance shall have been paid.

(b) The City shall maintain or cause to be maintained, throughout the term of this Lease Agreement, workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the California Labor Code, or any act enacted as an amendment or supplement thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the City in connection with the Property and to cover full liability for compensation under any such act; provided, however, that

the City's obligations under this subsection may be satisfied by self-insurance, provided such self-insurance complies with the provisions of Section 6.04 hereof.

(c) The City shall maintain or cause to be maintained, fire, lightning and special extended coverage insurance (which shall include coverage for vandalism and malicious mischief, but need not include coverage for earthquake damage) on all improvements constituting any part of the Property in an amount equal to the greater of 100% of the replacement cost of such improvements or 100% of the outstanding principal amount of the Bonds. The City has an insurance policy which provides replacement cost coverage. All insurance required to be maintained pursuant to this subsection may be subject to a deductible in an amount not to exceed \$500,000. The City's obligations under this subsection may be satisfied by self-insurance, provided such self-insurance complies with the provisions of Section 6.04 hereof.

(d) The City shall maintain rental interruption insurance to cover the Authority's loss, total or partial, of Base Rental Payments resulting from the loss, total or partial, of the use of any part of the Property as a result of any of the hazards required to be covered pursuant to subsection (c) of this Section in an amount sufficient at all times to pay an amount not less than the product of two times the maximum amount of Base Rental Payments scheduled to be paid during any Rental Period. The City shall not be permitted to self-insure its obligation under this subsection.

(e) The insurance required by this Section shall be provided by reputable insurance companies with claims paying abilities determined, in the reasonable opinion of a professionally certified risk manager or an independent insurance consultant, to be adequate for the purposes hereof.

Section 6.02 Title Insurance. The City shall provide, at its own expense, one or more CLTA or ALTA title insurance policies for the Property, the form of which policy or policies shall be acceptable to the 2021 Insurer, in the aggregate amount of not less than the initial aggregate principal amount of the Series 2021A Bonds. Such policy or policies shall insure (a) the fee interest of the City in the Property, (b) the Authority's ground leasehold estate in the Property under the Ground Lease, and (c) the City's leasehold estate hereunder in the Property, subject only to Permitted Encumbrances. All Net Insurance Proceeds received under said policy or policies shall be deposited with the Trustee and applied as provided in Section 5.03 of the Indenture. So long as any of the Bonds remain Outstanding, each policy of title insurance obtained pursuant to the Indenture or this Lease Agreement or required thereby or hereby shall provide that all proceeds thereunder shall be payable to the Trustee for the benefit of the Bond Owners.

Section 6.03 Additional Insurance Provision; Form of Policies. The City shall pay or cause to be paid when due the premiums for all insurance policies required by Section 6.01 hereof, and shall promptly furnish or cause to be furnished evidence of such payments to the Trustee. All such policies shall provide that the Trustee shall be given 30 days' notice of the expiration thereof or any intended cancellation thereof. The Trustee shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee.

The City shall cause to be delivered to the Trustee on or before November 1 each year, commencing November 1, 2022, a Certificate of the City stating that such policies are in full force and effect and that the City is in full compliance with the requirements of this Article. The Trustee shall be entitled to rely upon said Certificate of the City as to the City's compliance with this Article. The Trustee shall not be responsible for the sufficiency of coverage or amounts of such policies.

Section 6.04 Self-Insurance. Insurance provided through a California joint powers authority of which the City is a member or with which the City contracts for insurance shall be deemed to be self-insurance for purposes hereof. Any self-insurance maintained by the City pursuant to this Article shall comply with the following terms:

(a) the self-insurance program shall be approved in writing by a professionally certified risk manager or by an independent insurance consultant;

(b) the self-insurance program shall include an actuarially sound claims reserve fund out of which each self-insured claim shall be paid, the adequacy of each such fund shall be evaluated on an annual basis by a professionally certified risk manager or by an independent insurance consultant and any deficiencies in any self-insured claims reserve fund shall be remedied in accordance with the recommendation of a professionally certified risk manager or such independent insurance consultant, as applicable; and

(c) in the event the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund, as determined by a professionally certified risk manager or by an independent insurance consultant, shall be maintained.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01 Defaults and Remedies.

(a) (i) If the City shall fail (A) to pay any Rental Payment payable hereunder when the same becomes due and payable, time being expressly declared to be of the essence in this Lease Agreement, or (B) to keep, observe or perform any other term, covenant or condition contained herein or in the Indenture to be kept or performed by the City, or (ii) upon the happening of any of the events specified in this subsection or in subsection (b) of this Section, the City shall be deemed to be in default hereunder and it shall be lawful for the Authority, upon the direction of the 2021 Insurer, to exercise any and all remedies available pursuant to law or granted pursuant to this Lease Agreement. The City shall in no event be in default in the observance or performance of any covenant, condition or agreement in this Lease Agreement on its part to be observed or performed, other than as referred to in clause (i)(A) or (ii) of the preceding sentence, unless the City shall have failed, for a period of 30 days or such additional time as is reasonably required to correct any such default after notice by the Authority to the 2021 Insurer and the City properly specifying wherein the City has failed to perform any such covenant, condition or agreement. Upon any such default, the Authority, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(1) To terminate this Lease Agreement in the manner hereinafter provided on account of default by the City, notwithstanding any re-entry or re-letting of the Property as hereinafter provided for in subparagraph (2) hereof, and to re-enter the Property and remove all persons in possession thereof and all personal property whatsoever situated upon the Property and place such personal property in storage in any warehouse or other suitable place, for the account of and at the expense of the City. In the event of such termination, the City agrees to surrender immediately possession of the Property, without let or hindrance, and to pay the Authority all damages recoverable at law that the Authority may incur by reason of default by the City, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry

upon the Property and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained. Neither notice to pay Rental Payments or to deliver up possession of the Property given pursuant to law nor any entry or re-entry by the Authority nor any proceeding in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Property nor the appointment of a receiver upon initiative of the Authority to protect the Authority's interest under this Lease Agreement shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the City shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until the Authority shall have given written notice to the City of the election on the part of the Authority to terminate this Lease Agreement. The City covenants and agrees that no surrender of the Property or of the remainder of the term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated by the Authority by such written notice.

(2) Without terminating this Lease Agreement, (x) to collect each installment of Rental Payments as the same become due and enforce any other terms or provisions hereof to be kept or performed by the City, regardless of whether or not the City has abandoned the Property, or (y) to exercise any and all rights of entry and re-entry upon the Property. In the event the Authority, at the direction of the 2021 Insurer, does not elect to terminate this Lease Agreement in the manner provided for in subparagraph (1) hereof, the City shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the City and, if the Property is not re-let, to pay the full amount of the Rental Payments to the end of the term of this Lease Agreement or, in the event that the Property is re-let, to pay any deficiency in Rental Payments that results therefrom; and further agrees to pay said Rental Payments and/or Rental Payment deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of Rental Payments hereunder, notwithstanding the fact that the Authority may have received in previous years or may receive thereafter in subsequent years Rental Payments in excess of the Rental Payments herein specified, and notwithstanding any entry or re-entry by the Authority or suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Property. Should the Authority elect to re-enter as herein provided, the City hereby irrevocably appoints the Authority as the agent and attorney-in-fact of the City to re-let the Property, or any part thereof, from time to time, either in the Authority's name or otherwise, upon such terms and conditions and for such use and period as the Authority may deem advisable and to remove all persons in possession thereof and all personal property whatsoever situated upon the Property and to place such personal property in storage in any warehouse or other suitable place, for the account of and at the expense of the City, and the City hereby indemnifies and agrees to save harmless the Authority from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Property and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained. The City agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Authority to re-let the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Authority in effecting such re-letting shall constitute a surrender or termination of this Lease Agreement irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the City the right to terminate this Lease Agreement shall vest in the Authority to be effected in the sole and exclusive manner provided for in subparagraph (1) hereof. The City further agrees to pay the Authority the cost of any alterations or additions to the Property necessary to place the Property in condition for re-letting immediately upon notice to the City of the completion and installation of such additions or alterations.

The City hereby waives any and all claims for damages caused or which may be caused by the Authority in re-entering and taking possession of the Property as herein provided and all claims for damages that may result from the destruction of or injury to the Property and all claims for damages to or loss of any property belonging to the City, or any other person, that may be in or upon the Property.

(b) If (i) the City's interest in this Lease Agreement or any part thereof is assigned or transferred, either voluntarily or by operation of law or otherwise, without the written consent of the Authority and, as hereinafter provided for, or (ii) the City or any assignee shall file any petition or institute any proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby the City asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of the City's debts or obligations, or offers to the City's creditors to elect a composition or extension of time to pay the City's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of the City's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against the City, or if a receiver of the business or of the property or assets of the City shall be appointed by any court, except a receiver appointed at the instance or request of the Authority, or if the City shall make a general assignment for the benefit of the City's creditors, or (iii) the City shall abandon or vacate the Property, then the City shall be deemed to be in default hereunder.

(c) In addition to the other remedies set forth in this Section, upon the occurrence of an event of default, the Authority and its assignee shall be entitled to proceed to protect and enforce the rights vested in the Authority and its assignee by the Lease Agreement or by law. The provisions of the Lease Agreement and the duties of the City and of its city council, officers or employees shall be enforceable by the Authority or its assignee by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Authority and its assignee shall have the right to bring the following actions:

(i) Accounting. By action or suit in equity to require the City and its city council, officers and employees and its assigns to account as the trustee of an express trust.

(ii) Injunction. By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Authority or its assignee.

(iii) Mandamus. By mandamus or other suit, action or proceeding at law or in equity to enforce the Authority's or its assignee's rights against the City (and its city council, officers and employees) and to compel the City to perform and carry out its duties and obligations under the law and its covenants and agreements with the City as provided herein.

Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege hereunder shall not impair the right of the Authority to the further exercise thereof or the exercise of any or all other rights, powers or privileges. The term "re-let" or "re-letting" as used in this Section shall include, but not be limited to, re-letting by means of the operation by the Authority of the Property. If any statute or rule of law validly shall limit the remedies given to the Authority hereunder, the Authority nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

In the event the Authority shall prevail in any action brought to enforce any of the terms and provisions of this Lease Agreement, the City agrees to pay a reasonable amount as and for attorney's fees incurred by the Authority in attempting to enforce any of the remedies available to the Authority hereunder.

Notwithstanding anything to the contrary contained in this Lease Agreement, the Authority shall have no right upon a default hereunder by the City to accelerate Rental Payments.

(d) Notwithstanding anything to the contrary contained in this Lease Agreement, the termination of this Lease Agreement by the Authority and its assignees on account of a default by the City under this Section shall not effect or result in a termination of the Ground Lease.

Section 7.02 Waiver. Failure of the Authority to take advantage of any default on the part of the City shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of the Authority to insist upon performance by the City of any term, covenant or condition hereof, or to exercise any rights given the Authority on account of such default. A waiver of a particular default shall not be deemed to be a waiver of any other default or of the same default subsequently occurring. The acceptance of Rental Payments hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this Lease Agreement.

ARTICLE VIII

EMINENT DOMAIN; PREPAYMENT

Section 8.01 Eminent Domain. If all of the Property (or portions thereof such that the remainder is not usable for public purposes by the City) shall be taken under the power of eminent domain, the term hereof shall cease as of the day that possession shall be so taken. If less than all of the Property shall be taken under the power of eminent domain and the remainder is usable for public purposes by the City at the time of such taking, then the Lease Agreement shall continue in full force and effect as to such remainder, and the parties waive the benefits of any law to the contrary, and in such event there shall be a partial abatement of the Rental Payments in accordance with the provisions of Section 3.06 hereof. So long as any Bonds shall be Outstanding, any award made in eminent domain proceedings for the taking of the Property, or any portion thereof, shall be paid to the Trustee and applied to the redemption of Bonds as provided in subsection (a) of Section 4.01 of the Indenture, in the corresponding provisions of any Supplemental Indenture pursuant to which Additional Bonds are issued and in Section 5.03 of the Indenture. Any such award made after all of the Bonds, and all other amounts due under the Indenture and hereunder, have been fully paid, shall be paid to the Authority and to the City as their respective interests may appear.

Section 8.02 Prepayment.

(a) The City may prepay all or a portion of the Base Rental Payments attributable to the Series 2021A Bonds which are payable after November 1, 20__ from any source of available funds, on any date on or after November 1, 20__, by paying (i) all or a portion, as selected by the City, of the principal components of such Base Rental Payments, and (ii) the accrued but unpaid interest component of such Base Rental Payments to be prepaid to the date of such prepayment.

(b) The City may prepay, from any source of available funds, all or any portion of the Base Rental Payments attributable to the Series 2021A Bonds by depositing with the Trustee moneys or securities as provided, and subject to the terms and conditions set forth, in Article X of the Indenture sufficient to make such Base Rental Payments when due or to make such Base Rental Payments through a specified date on which the City has a right to prepay such Base Rental Payments pursuant to subsection (a) of this Section, and to prepay such Base Rental Payments on such prepayment date, at a prepayment price determined in accordance with subsection (a) of this Section.

(c) If less than all of the Base Rental Payments attributable to the Series 2021A Bonds are prepaid pursuant to this Section then, as of the date of such prepayment pursuant to subsection (a) of this Section, or the date of a deposit pursuant to subsection (b) of this Section, the principal and interest components of such Base Rental Payments shall be recalculated by the City and transmitted to the Trustee in order to take such prepayment into account. The City agrees that if, following a partial prepayment of such Base Rental Payments, the Property is damaged or destroyed or taken by eminent domain, or a defect in title to the Property is discovered, the City shall not be entitled to, and by such prepayment waives the right of, abatement of such prepaid Base Rental Payments and the City shall not be entitled to any reimbursement of such Base Rental Payments.

(d) If all of the Base Rental Payments are prepaid in accordance with the provisions of this Lease Agreement then, as of the date of such prepayment pursuant to subsection (a) of this Section and, if applicable, the corresponding provisions hereof relating to the prepayment of Base Rental Payments attributable to Additional Bonds, or deposit pursuant to subsection (b) of this Section and, if applicable, such corresponding provisions, and payment of all other amounts owed under this Lease Agreement, the term of this Lease Agreement shall be terminated.

(e) Prepayments of Base Rental Payments attributable to the Series 2021A Bonds made pursuant to this Section shall be applied to the redemption of the Series 2021A Bonds as directed by the City and as provided in Section 4.01 of the Indenture.

(f) Before making any prepayment pursuant to this Article, the City shall give written notice to the Authority and the Trustee specifying the date on which the prepayment will be made (conditionally or otherwise), which date shall be not less than 20 nor more than 60 days from the date such notice is given to the Authority.

ARTICLE IX

COVENANTS

Section 9.01 Right of Entry. The Authority and its assignees shall have the right to enter upon and to examine and inspect the Property during reasonable business hours (and in emergencies at all times) for any purpose connected with the Authority's rights or obligations under this Lease Agreement, and for all other lawful purposes.

Section 9.02 Liens. In the event the City shall at any time during the term of this Lease Agreement cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Property, the City shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the City in, upon or about the Property and which may be secured by a mechanics', materialmen's or other lien against the Property or the

Authority's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that, if the City desires to contest any such lien, it may do so as long as such contestment is in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the City shall forthwith pay and discharge said judgment.

Section 9.03 Quiet Enjoyment. The parties hereto mutually covenant that the City, by keeping and performing the covenants and agreements herein contained, shall at all times during the term of this Lease Agreement peaceably and quietly have, hold and enjoy the Property without suit, trouble or hindrance from the Authority.

Section 9.04 Authority Not Liable. The Authority and its directors, officers, agents and employees, shall not be liable to the City or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Property. To the extent permitted by law, the City shall, at its expense, indemnify and hold the Authority and the Trustee and all directors, members, officers and employees thereof harmless against and from any and all claims by or on behalf of any person, firm, corporation or governmental authority arising from the acquisition, construction, occupation, use, operation, maintenance, possession, conduct or management of or from any work done in or about the Property or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Property or the occupancy or use thereof, but excepting the negligence or willful misconduct of the persons or entity seeking indemnity. The City also covenants and agrees, at its expense, to pay and indemnify and save the Authority and the Trustee and all directors, officers and employees thereof harmless against and from any and all claims arising from (a) any condition of the Property and the adjoining sidewalks and passageways, (b) any breach or default on the part of the City in the performance of any covenant or agreement to be performed by the City pursuant to this Lease Agreement, (c) any act or negligence of licensees in connection with their use, occupancy or Operation of the Property, or (d) any accident, injury or damage whatsoever caused to any person, firm or corporation in or about the Property or upon or under the sidewalks and from and against all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any claim referred to in this Section, but excepting the negligence or willful misconduct of the person or entity seeking indemnity. In the event that any action or proceeding is brought against the Authority or the Trustee or any director, member, officer or employee thereof, by reason of any such claim, the City, upon notice from the Authority or the Trustee or such director, member, officer employee thereof, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to the Authority or the Trustee or such director, member, officer or employee thereof.

Section 9.05 Assignment and Subleasing. This Lease Agreement may not be assigned by the City. The City may sublease the Fire Facilities or any portion thereof to the Fontana Fire Protection District, so long as the City remains fully liable for all obligations under this Lease Agreement and the sublease is subordinate in all respects to the rights of the Authority and the Trustee hereunder. The City may sublease the Property or any portion thereof to any other person or entity for any other purpose, subject to the satisfaction of all of the following conditions (a) through (d) below:

(a) this Lease Agreement and the obligation of the City to make all Rental Payments hereunder shall remain the primary obligation of the City;

(b) the City shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Authority and the Trustee a true and complete copy of such sublease;

(c) any sublease of the Property by the City shall explicitly provide that such sublease is subject to all rights of the Authority under the Lease Agreement, including, the right to re-enter and re-let the Property or terminate the Lease Agreement upon a default by the City; and

(d) the City shall furnish the Authority and the Trustee with an Opinion of Counsel to the effect that such sublease will not, in and of itself, cause the interest on the Bonds to be included in gross income for federal income tax purposes.

Notwithstanding any other provision of this Lease Agreement, except for a sublease to the Fontana Fire Protection District as permitted by this Section, no sublease, release, sale, disposition or substitution of the Property shall occur without the prior written consent of the 2021 Insurer.

Section 9.06 Title to Property. Upon the termination or expiration of this Lease Agreement (other than as provided in Section 7.01 and Section 8.01 hereof), and the first date upon which the Bonds are no longer Outstanding, all right, title and interest in and to the Property shall vest in the City. Upon any such termination or expiration, the Authority shall execute such conveyances, deeds and other documents as may be necessary to effect such vesting of record.

Section 9.07 Authority's Purpose. The Authority covenants that, prior to the discharge of this Lease Agreement and the Bonds, it will not engage in any activities inconsistent with the purposes for which the Authority is organized, as set forth in the Joint Powers Agreement.

Section 9.08 Representations of the City. The City represents and warrants to the Authority that (a) the City has the full power and authority to enter into, to execute and to deliver this Lease Agreement and the Indenture, and to perform all of its duties and obligations hereunder and thereunder, and has duly authorized the execution and delivery of this Lease Agreement and the Indenture, and (b) the Property will be used in the performance of essential governmental functions.

Section 9.09 Representation of the Authority. The Authority represents and warrants to the City that the Authority has the full power and authority to enter into, to execute and to deliver this Lease Agreement, the Assignment Agreement and the Indenture, and to perform all of its duties and obligations hereunder and thereunder, and has duly authorized the execution and delivery of this Lease Agreement, the Assignment Agreement and the Indenture.

ARTICLE X

NO CONSEQUENTIAL DAMAGES; USE OF THE PROPERTY; SUBSTITUTION OR RELEASE

Section 10.01 No Consequential Damages. In no event shall the Authority or the Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Lease Agreement or the City's use of the Property.

Section 10.02 Use of the Property. The City will not use, operate or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Lease Agreement. In addition, the City agrees to comply in all respects (including, without

limitation, with respect to the use, maintenance and operation of the Property) with all laws of the jurisdictions in which its operations may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Property; provided, however, that the City may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Authority, adversely affect the estate of the Authority in and to any of the Property or its interest or rights under this Lease Agreement.

Section 10.03 Substitution or Release of the Property. The City shall have the right to substitute alternate real property for any portion of the Property or to release a portion of the Property from this Lease Agreement. All costs and expenses incurred in connection with such substitution or release shall be borne by the City. Notwithstanding any substitution or release of Property pursuant to this subsection, there shall be no reduction in or abatement of the Base Rental Payments due from the City hereunder as a result of such substitution or release. Any such substitution or release of any portion of the Property shall be subject to the following specific conditions, which are hereby made conditions precedent to such substitution or release:

(a) the City shall have found (as set forth in a certificate delivered by the City to the Trustee) that the Property, as constituted after such substitution or release, (i) has an annual fair rental value at least equal to the maximum Base Rental Payments payable by the City in any Rental Period, and (ii) has a useful life in excess of the final maturity of any Outstanding Bonds;

(b) the City shall have obtained or caused to be obtained a CLTA or ALTA title insurance policy or policies with respect to any substituted property in the amount at least equal to the aggregate principal amount of any Outstanding Bonds of the type and with the endorsements described in Section 6.02 hereof;

(c) the City shall have provided the Trustee with an Opinion of Counsel to the effect that such substitution or release will not, in and of itself, cause the interest on the Bonds to be included in gross income for federal income tax purposes;

(d) the City, the Authority and the Trustee shall have executed, and the City shall have caused to be recorded with the San Bernardino County Recorder, any document necessary to reconvey to the City the portion of the Property being released and to include any substituted real property in the description of the Property contained herein and in the Ground Lease;

(e) the City shall have provided notice of such substitution to each rating agency then rating the Bonds;

(f) no Event of Default (within the meaning of Article VII hereof) has occurred and is continuing;

(g) the City will give, or cause to be given, any notice of the occurrence of such substitution required to be given pursuant to the Continuing Disclosure Certificate;

(h) the City will certify to the Trustee that the City has a current need for the substituted real property; and

(i) the City shall certify to the Trustee that any substitution shall not cause the City to violate any of its covenants, representations and warranties made in the Lease Agreement.

Section 10.04 Release of the Police Facility

(a) Release of Police Facility Prior to Completion. Without regard to the requirements of Section 10.03 or Section 10.04(b) below, the Authority may provide for release and deletion of the Police Facility portion of the Property (the “Released Portion”) prior to completion of the 2021 Project from the Property such that the Fire Facilities constitute the Remaining Portion (the “Remaining Portion”), provided that the City shall satisfy conditions (i), (ii) and (iii) below, compliance with each of which requirements is hereby declared to be a condition precedent to such release:

(i) The City shall certify in writing to the Trustee and to the Authority that the construction contract and other arrangements for the construction of the 2021 Project comply with the requirements of Section 4.02 and Article IV of this Lease Agreement, and that the City has deposited such amount, if any, to the Project Fund to cause the amount on deposit therein to equal the remaining estimated cost of the 2021 Project, including the City’s planned contingency amount, and has deposited sufficient moneys into the Principal Fund and Interest Fund maintained under the Indenture to pay all principal and interest payments scheduled to come due on the Bonds through the date that is six months following the completion date for the 2021 Project; and

(ii) The City and the Authority shall file with the Trustee a copy of an amended Exhibit A and B to this Lease Agreement which deletes the Police Facility from this Lease Agreement (the “Lease Supplement”); and

(iii) The City shall provide to S&P at least 21 days prior written notice of the City’s intention to cause the release of the Police Facility from this Lease Agreement pursuant to this Section 10.04(a), together with a copy of the Lease Supplement described in (ii) above; and

(b) Release of Police Facility After Completion of Fire Facilities. Without regard to the requirements of Section 10.03 or Section 10.04(a) above, the Authority may provide for release and deletion of the Police Facility portion of the Property from the Property such that the Fire Facilities constitute the Remaining Portion, provided that the City shall satisfy conditions (i) and (ii) below, compliance with each of which requirements is hereby declared to be a condition precedent to such release:

(i) The City shall file with the Authority and the Trustee a copy of a Lease Supplement which deletes the Police Facility from the Lease Agreement; and

(ii) The City shall have delivered the Completion Certificate to the Trustee.

Upon the satisfaction of all such conditions under Section 10.04, subsection (a) or (b) above, this Lease Agreement shall thereupon end as to the Released Portion and shall thereupon continue as to the Remaining Portion, and the Police Facility shall be released from the Lease Agreement and no longer form part of the Property hereunder without further act or deed of the City, the Authority, or the Trustee, provided the Authority and the Trustee shall execute any such instruments evidencing such release as may be reasonably requested by the City from time to time. The City shall not be entitled to any reduction, diminution, extension or other modification of the Base Rental Payments whatsoever as a result of such deletion.

MISCELLANEOUS

Section 11.05 Taxes. The City shall pay or cause to be paid all taxes and assessments of any type or nature charged to the Authority or affecting the Property or the respective interests or estates therein; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are required to be paid during the term of this Lease Agreement as and when the same become due.

The City or any sublessee may, at the City's or such sublessee's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority or the Trustee shall notify the City or such sublessee that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Authority in the Property will be materially endangered or the Property, or any part thereof, will be subject to loss or forfeiture, in which event the City or such sublessee shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority and the Trustee.

Section 11.06 Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease Agreement.

Section 11.07 Amendments.

(a) This Lease Agreement and the Ground Lease may be amended and the rights and obligations of the 2021 Insurer, the Authority and the City hereunder and thereunder may be amended at any time by an amendment hereto or thereto which shall become binding upon execution and delivery by the Authority and the City, but only with the prior written consent of the 2021 Insurer and the Owners of a majority of the principal amount of the Bonds then Outstanding pursuant to the Indenture, provided that no such amendment shall (i) extend the payment date of any Base Rental Payments, reduce the interest component or principal component of any Base Rental Payments or change the prepayment terms and provisions, without the prior written consent of the 2021 Insurer and the Owner of each Bond so affected, or (ii) reduce the percentage of the principal amount of the Bonds the consent of the Owners of which is required for the execution of any amendment of this Lease Agreement or the Ground Lease. For purposes of this Section, the 2021 Insurer shall be deemed to be the Owner of all Insured 2021 Bonds.

(b) This Lease Agreement and the Ground Lease and the rights and obligations of the Authority and the City hereunder and thereunder may also be amended at any time by an amendment hereto or thereto which shall become binding upon execution by the Authority and the City, without the written consents of any Owners or the 2021 Insurer, but only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the agreements, conditions, covenants and terms required by the Authority or the City to be observed or performed herein or therein other agreements, conditions, covenants and terms thereafter to be observed or performed by the Authority or the City, or to surrender any right or power reserved herein or therein to or conferred herein or therein on the Authority or the City, and which in either case shall not materially adversely affect the interests of the Owners, as evidenced by an Opinion of Bond Counsel;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or therein or in regard to questions arising hereunder or thereunder which the Authority or the City may deem desirable or necessary and not inconsistent herewith or therewith, and which shall not materially adversely affect the interests of the Owners, as evidenced by an Opinion of Bond Counsel;

(iii) to make such additions, deletions or modifications as may be necessary or appropriate to assure the exclusion from gross income for federal income tax purposes of the interest on the Bonds;

(iv) to provide for the substitution or release of a portion of the Property in accordance with the provisions of Sections 10.03 or 10.04 hereof;

(v) to provide for the issuance of Additional Bonds in accordance with Article III of the Indenture; or

(vi) to make such other changes herein or therein or modifications hereto or thereto as the Authority or the City may deem desirable or necessary, and which shall not materially adversely affect the interests of the Owners, as evidenced by an Opinion of Bond Counsel.

Section 11.08 Assignment. The City and the Authority hereby acknowledge the assignment of this Lease Agreement (except for the Authority's obligations and its rights to give consents or approvals hereunder), and the Base Rental Payments payable hereunder, to the Trustee pursuant to the Assignment Agreement. To the extent that this Lease Agreement confers upon or gives or grants the Trustee any right, remedy or claim under or by reason of this Lease Agreement, the Trustee is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Section 11.09 2021 Insurer as Third Party Beneficiary. [The 2021 Insurer is recognized as and shall be deemed to be a third party beneficiary of this Lease Agreement and may enforce the provisions of this Lease Agreement as if it were a party hereto.]

Section 11.10 Execution. This Lease Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Lease Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the Authority and the City have caused this Lease Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF FONTANA

By: _____
City Manager

ATTEST:

City Clerk

FONTANA PUBLIC FACILITIES FINANCING
AUTHORITY

By: _____
Executive Director

ATTEST:

Secretary

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Ben L. Abernathy Police Facility

PARCEL NO. 1:

THE SOUTH 7.13 FEET OF LOT 20, ALL OF LOT 21, AND THE NORTH 42.67 FEET OF LOT 22, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 2:

LOT 8 AND THE NORTH 42.93 FEET OF LOT 9 AND THE SOUTH 7.07 FEET OF LOT 7, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 3:

THE NORTH 42.87 FEET OF LOT 20 AND THE SOUTH 7.13 FEET OF LOT 19, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 A 55438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 4:

THE NORTH 42.87 FEET OF LOT 19 AND THE SOUTH 7.13 FEET OF LOT 18, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 5:

THE SOUTH 7.07 FEET OF LOT 9 AND ALL OF LOTS 10 AND 11, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

APN: 192-031-10

APN: 192-031-11

APN: 192-031-12

APN: 192-031-13

APN: 192-031-14

Fire Station No. 71:

THAT PORTION OF BLOCK 17 OF TRACT NO. 2266, FONTANA, TOWNSITE, IN THE CITY OF FONTANA, PER MAP RECORDED IN BOOK 32, PAGES 43 THROUGH 53, INCLUSIVE, RECORDS OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SAID BLOCK 17, SAID POINT BEING SOUTH 89°44'00" WEST, 862.67 FEET OF THE SOUTHEAST CORNER OF SAID BLOCK 17; THENCE NORTH 00°14'00" WEST PARALLEL WITH THE EASTERLY LINE OF SAID BLOCK 17, 247.57 FEET; THENCE NORTH 89°23'47" EAST, 240.55 FEET; THENCE SOUTH 00°14'00" EAST PARALLEL WITH THE EASTERLY LINE OF SAID BLOCK 17, 248.98 FEET TO THE SOUTHERLY LINE OF SAID BLOCK 17; THENCE SOUTH 89°44'00" WEST ALONG SAID SOUTHERLY LINE, 240.55 FEET TO THE POINT OF BEGINNING.

APN: 0192-042-26

APN: 0192-042-27

Fire Protection District Training Facility

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 1 NORTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 35;
THENCE ALONG THE NORTH LINE OF SAID SECTION 35, SOUTH 89°55'12" EAST, 950.74 FEET TO THE NORTHWESTERLY LINE OF THE LAND CONVEYED IN A DEED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN RECORDED JULY 31, 1991 AS INSTRUMENT NO. 91-290525, OFFICIAL RECORDS;
THENCE ALONG SAID NORTHWESTERLY LINE SOUTH 44° 23' 30" WEST, 579.12 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 44° 23' 30" WEST, 663.27 FEET;
THENCE NORTH 43° 47' 30" WEST, 31.95 FEET;
THENCE NORTH 00° 01' 56" EAST, 363.73 FEET;
THENCE NORTH 79° 49' 49" EAST, 493.66 FEET TO THE TRUE POINT OF BEGINNING.

APN: 0228-021-46

Fire Station No. 81

LOT E OF TRACT NO. 20213-1, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, AS PER MAP FILED ON JULY 9, 2019, IN BOOK 353, PAGES 55 THROUGH 60, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA.

EXCEPTING THEREFROM 1/2 INTEREST IN AND TO ALL OIL, MINERALS, ASPHALTUM AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM JAMES R. JOHNSON AND MILDRED E. JOHNSON, HUSBAND AND WIFE TO BERRY INVESTMENT CORPORATION, RECORDED NOVEMBER 25, 1957 IN BOOK 4376, PAGE 206 OF OFFICIAL RECORDS.

APN: 0239-932-37

EXHIBIT B

DESCRIPTION OF THE FACILITIES

All fixtures, improvements and structures located on the Property.

Ben L. Abernathy Police Facility:

The Policy Facility consists of the City of Fontana Police Department building located at 17005 Upland Avenue, Fontana, California 92335, APNs 0192-031-10, 11, 12, 13, 14, 26, and 27.

Fire Facilities:

The Fire Facilities consist of (i) Fire Station No. 71 located at 16980 Arrow Blvd, Fontana, CA 92335, (ii) the future site of Fire Station No. 81 located at property designated as APN 239-962-37 (Lot E)., and (iii) the future site of a new Fire Protection District Training Facility located at property designated as APN: 0228-021-46-0-000 (the future site of Fire Station No. 80).

EXHIBIT C

BASE RENTAL PAYMENT SCHEDULE

<i>Date (Third Business Day Prior to)</i>	<i>Principal Component</i>	<i>Interest Component</i>	<i>Total Base Rental</i>
---	----------------------------	---------------------------	--------------------------

RECORDING REQUESTED BY:

Fontana Public Facilities Financing Authority

AND WHEN RECORDED MAIL TO:

Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attn: Vanessa S. Legbandt, Esq.

[Space above for Recorder's use.]

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11921 OF THE CALIFORNIA REVENUE AND TAXATION CODE AND THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE BECAUSE THE ASSIGNOR IS A GOVERNMENTAL AGENCY. LEASE TERM LESS THAN 35 YEARS.

THE GRANTOR AND THE GRANTEE ARE GOVERNMENTAL AGENCIES.

MEMORANDUM OF LEASE AGREEMENT

by and between

CITY OF FONTANA

and

FONTANA PUBLIC FACILITIES FINANCING AUTHORITY

Dated as of November 1, 2021

Relating to

\$_____

**FONTANA PUBLIC FACILITIES FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2021A**

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT (the “Memorandum”) is made and entered into as of the 1st day of November, 2021, by and between the CITY OF FONTANA, a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and the laws of the State of California (the “City”) and the FONTANA PUBLIC FACILITIES FINANCING AUTHORITY, a joint exercise of powers entity organized and existing under and by virtue of the laws of the State of California (the “Authority”).

The City has pursuant to a Ground Lease, dated as of November 1, 2021 (the “Ground Lease”), by and between the City and the Authority, which Ground Lease is being recorded currently herewith, leased all of the real property legally described in Exhibit A attached hereto to the Authority.

FOR VALUABLE CONSIDERATION, the Authority hereby leases to the City, and the City hereby leases back from the Authority, all of the real property legally described in Exhibit A attached hereto and made a part hereof, subject to the terms and conditions of that certain unrecorded Lease Agreement, dated as of November 1, 2021 (the “Lease”), by and between the City and the Authority, which by this reference is incorporated herein. All capitalized terms in this Memorandum not otherwise defined herein shall have the same meaning as set forth in the Lease.

The Authority’s rights under the Lease, including the right to receive and enforce payment of the Rental Payments to be made by the City under the Lease, have been assigned and transferred to U.S. Bank National Association, a national banking association organized and existing under the laws of the United States, as trustee pursuant to the Indenture (the “Trustee”), without recourse for the benefit of the Owners of the Bonds pursuant to the Assignment Agreement, dated as of November 1, 2021, by and between the Authority and the Trustee, to which assignment, transfer and sale the City hereby consents.

The term of the Lease shall commence on the Delivery Date and shall end on (i) November 1, 2042 with respect to the portion of the Property designated as Fire Station No. 71 on Exhibit A hereto, and (ii) November 1, 2051 with respect to the portion of the property designated as the 2051 Termination Parcels in the Lease, which consists of the parcels described as the Ben L. Abernathy Police Facility, Fire Station No. 81 and the Fire Protection District Training Facility on Exhibit A hereto, unless such term is extended as provided in the Lease. If on November 1, 2051 the Bonds shall not be fully paid, or provision therefor made in accordance with the Indenture, or the Indenture shall not be discharged by its terms, or if the Rental Payments shall remain due and payable or shall have been abated at any time and for any reason, then the term of the Lease shall be extended until the date upon which (i) all Bonds shall be fully paid, or provision therefor made in accordance with the Indenture, or (ii) the Indenture shall be discharged by its terms and all Rental Payments shall have been paid in full. Notwithstanding the foregoing, the term of the Lease shall in no event be extended more than ten years beyond November 1, 2051. Such extended date being the “Maximum Lease Term.” If prior to November 1, 2051 all Bonds shall be fully paid, or provision therefor made in accordance with the Indenture, the Indenture shall be discharged by its terms and all Rental Payments shall have been paid in full, the term of the Lease shall end simultaneously therewith.

Furthermore, pursuant to the terms and conditions set forth in the Lease, the City may substitute additional real property for the property described in Exhibit A or delete portions of the real property described therein from the Lease.

IN WITNESS WHEREOF, each of the parties hereto has executed this Memorandum of Lease as of the day and year first hereinabove written.

CITY OF FONTANA

By: _____
Mark Denny
City Manager

ATTEST:

Tonia Lewis
City Clerk

FONTANA PUBLIC FACILITIES FINANCING
AUTHORITY

By: _____
Mark Denny
Executive Director

ATTEST:

Tonia Lewis
Secretary

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in the Property conveyed under the foregoing to the City of Fontana, a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and the laws of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the City Council of the City of Fontana, pursuant to authority conferred by resolution of the said City Council adopted on September 28, 2021, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____, 2021

CITY OF FONTANA

By: _____
Mark Denny
City Manager

STATE OF CALIFORNIA)
)
) ss.
COUNTY OF _____)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

593

STATE OF CALIFORNIA)
)
) ss.
COUNTY OF _____)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

594

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Ben L. Abernathy Police Facility

PARCEL NO. 1:

THE SOUTH 7.13 FEET OF LOT 20, ALL OF LOT 21, AND THE NORTH 42.67 FEET OF LOT 22, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 2:

LOT 8 AND THE NORTH 42.93 FEET OF LOT 9 AND THE SOUTH 7.07 FEET OF LOT 7, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 3:

THE NORTH 42.87 FEET OF LOT 20 AND THE SOUTH 7.13 FEET OF LOT 19, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE

VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 A 55438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 4:

THE NORTH 42.87 FEET OF LOT 19 AND THE SOUTH 7.13 FEET OF LOT 18, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 5:

THE SOUTH 7.07 FEET OF LOT 9 AND ALL OF LOTS 10 AND 11, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

APN: 192-031-10

APN: 192-031-11

APN: 192-031-12

APN: 192-031-13

APN: 192-031-14

Fire Station No. 71:

THAT PORTION OF BLOCK 17 OF TRACT NO. 2266, FONTANA, TOWNSITE, IN THE CITY OF FONTANA, PER MAP RECORDED IN BOOK 32, PAGES 43 THROUGH 53, INCLUSIVE, RECORDS OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SAID BLOCK 17, SAID POINT BEING SOUTH 89°44'00" WEST, 862.67 FEET OF THE SOUTHEAST CORNER OF

SAID BLOCK 17; THENCE NORTH 00°14'00" WEST PARALLEL WITH THE EASTERLY LINE OF SAID BLOCK 17, 247.57 FEET; THENCE NORTH 89°23'47" EAST, 240.55 FEET; THENCE SOUTH 00°14'00" EAST PARALLEL WITH THE EASTERLY LINE OF SAID BLOCK 17, 248.98 FEET TO THE SOUTHERLY LINE OF SAID BLOCK 17; THENCE SOUTH 89°44'00" WEST ALONG SAID SOUTHERLY LINE, 240.55 FEET TO THE POINT OF BEGINNING.

APN: 0192-042-26

APN: 0192-042-27

Fire Protection District Training Facility

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 1 NORTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 35;
THENCE ALONG THE NORTH LINE OF SAID SECTION 35, SOUTH 89°55'12" EAST, 950.74 FEET TO THE NORTHWESTERLY LINE OF THE LAND CONVEYED IN A DEED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN RECORDED JULY 31, 1991 AS INSTRUMENT NO. 91-290525, OFFICIAL RECORDS;
THENCE ALONG SAID NORTHWESTERLY LINE SOUTH 44° 23' 30" WEST, 579.12 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 44° 23' 30" WEST, 663.27 FEET;
THENCE NORTH 43° 47' 30" WEST, 31.95 FEET;
THENCE NORTH 00° 01' 56" EAST, 363.73 FEET;
THENCE NORTH 79° 49' 49" EAST, 493.66 FEET TO THE TRUE POINT OF BEGINNING.

APN: 0228-021-46

Fire Station No. 81

LOT E OF TRACT NO. 20213-1, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, AS PER MAP FILED ON JULY 9, 2019, IN BOOK 353, PAGES 55 THROUGH 60, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA.

EXCEPTING THEREFROM 1/2 INTEREST IN AND TO ALL OIL, MINERALS, ASPHALTUM AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM JAMES R. JOHNSON AND MILDRED E. JOHNSON, HUSBAND AND WIFE TO BERRY INVESTMENT CORPORATION, RECORDED NOVEMBER 25, 1957 IN BOOK 4376, PAGE 206 OF OFFICIAL RECORDS.

APN: 0239-932-37

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 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 a 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 prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2021

NEW ISSUE - FULL BOOK-ENTRY

S&P: “_”

See “RATING” herein.

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described in this Official Statement, interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Series 2021A Bonds is exempt from State of California personal income tax. See the caption “TAX MATTERS.”

\$ _____ *

**FONTANA PUBLIC FACILITIES FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2021A**

Dated: Date of Delivery

Due: November 1, as shown on inside cover

Authority for Issuance. The bonds captioned above (the “Series 2021A Bonds”) are being issued by the Fontana Public Facilities Financing Authority (the “Authority”) pursuant to the Mark-Roos Local Bond Pooling Act of 1985 and an Indenture dated as of November 1, 2021 (the “Indenture”), by and among the Authority, the City of Fontana (the “City”), and U.S. Bank National Association, as trustee (the “Trustee”).

Purpose. The proceeds of the Series 2021A Bonds will be used to (i) refinance all of the outstanding Fontana Public Financing Authority 2010 Lease Revenue Bonds (Taxable Recovery Zone Economic Development Bonds), (ii) finance the acquisition, construction, and installation of certain public capital improvements in the City, and (iii) pay the costs of issuing the Series 2021A Bonds. See “FINANCING PLAN.”

Security. Under the Indenture, the Series 2021A Bonds are secured by a pledge and first lien on base rental payments (“Base Rental Payments”) to be made by the City for the lease of property under a Lease Agreement dated as of November 1, 2021, between the Authority, as lessor, and the City, as lessee, concerning the leaseback of certain real property, as described in this Official Statement. The Series 2021A Bonds are also secured by certain funds held under the Indenture. The City has covenanted under the Lease Agreement to make all scheduled Base Rental Payments, to include all such payments as a separate line item in its annual budgets, and to make all the necessary annual appropriations for such Base Rental Payments. The City’s obligation to make Base Rental Payments is subject to abatement during any period in which, by reason of material damage to, or destruction or condemnation of, the Property, or any defects in title to the Property, there is substantial interference with the City’s right to use and occupy any portion of the Property. No debt service reserve fund or account will be established by the Authority or the City in connection with the issuance of the Series 2021A Bonds. The Series 2021A Bonds are not subject to acceleration in the event of a payment default. See “SECURITY FOR THE SERIES 2021A BONDS” and “BOND OWNERS’ RISKS – Abatement.”

Bond Terms; Book-Entry Only. The Series 2021A Bonds will bear interest at the rates shown on the inside cover page, payable semiannually on May 1 and November 1 of each year, commencing on [May 1, 2022], and will be issued in fully-registered form without coupons in integral multiples of \$5,000. The Series 2021A Bonds will be issued in book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Purchasers of the Series 2021A Bonds will not receive certificates representing their interests in the Series 2021A Bonds. Payments of the principal of, premium, if any, and interest on the Series 2021A Bonds will be made to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the Series 2021A Bonds. See “THE SERIES 2021A BONDS – General Provisions.”

Redemption. The Bonds are subject to optional, mandatory sinking fund and extraordinary redemption prior to maturity. See “THE SERIES 2021A BONDS – Redemption.”

Bond Insurance. The Authority has applied for a municipal bond insurance policy guaranteeing the scheduled payment of principal of and interest on some or all of the maturities of the Series 2021A Bonds when due. The Authority will determine whether to purchase such policies in connection with the pricing of the Series 2021A Bonds.

The Series 2021A Bonds are special obligations of the Authority, payable solely from and secured by a pledge of the Base Rental Payments and other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the Authority, the City or the State of California, or any political subdivision thereof, is pledged to the payment of the Series 2021A Bonds. The obligation of the City to pay Base Rental Payments does not constitute an indebtedness of the City, the State of California, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction, and does not constitute an obligation for which the City or the State of California is obligated to levy or pledge any form of taxation or for which the City or the State of California has levied or pledged any form of taxation. The Authority has no power to tax.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT A SUMMARY OF ALL THE PROVISIONS OF THE SERIES 2021A BONDS. PROSPECTIVE INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Series 2021A Bonds are offered when, as and if issued, subject to approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel. Certain legal matters will also be passed upon for the Authority and the City by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Authority and the City by Best Best & Krieger LLP, as City Attorney. Certain legal matters will be passed on for the Underwriter by Kutak Rock LLP, Irvine, California. It is anticipated that the Series 2021A Bonds will be delivered in book-entry form through the facilities of DTC on or about _____, 2021.

STIFEL

The date of this Official Statement is: _____, 2021

* Preliminary; subject to change.

\$ _____ *

FONTANA PUBLIC FACILITIES FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2021A

MATURITY SCHEDULE
(Base CUSIP:† _____)

\$ _____ **Serial Bonds**

Maturity Date (November 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
-------------------------------	---------------------	------------------	-------	-------	--------

\$ _____ – _____% Term Bonds due November 1, 20____; Yield _____%;
Price _____; CUSIP†: _____

\$ _____ – _____% Term Bonds due November 1, 20____; Yield _____%;
Price _____; CUSIP†: _____

* Preliminary; subject to change.

° Priced to first optional redemption date of November 1, 20____, at par

† 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© 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 City, the Authority, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

[Insert location map from 2014 OS]

FONTANA PUBLIC FACILITIES FINANCING AUTHORITY

BOARD OF DIRECTORS

Acquanetta Warren, Authority Chair
Phillip Cothran, Authority Vice-Chair
Peter Garcia, Authority Member
John Roberts, Authority Member
Jesus "Jesse" Sandoval, Authority Member

_____, Interim Executive Director
Tonia Lewis, City Clerk/Authority Secretary
Janet Koehler-Brooks, City Treasurer

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

_____, Interim City Manager
Phil Burum, Deputy City Manager
[Lisa A. Strong, Management Services Director]
Janet Koehler-Brooks, City Treasurer
Tonia Lewis, City Clerk
Best Best & Krieger LLP, City Attorney

PROFESSIONAL SERVICES

BOND COUNSEL

Stradling Yocca Carlson & Rauth, a Professional Corporation,
Newport Beach, California

DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

MUNICIPAL ADVISOR

CSG Advisors Incorporated
San Francisco, California

TRUSTEE AND ESCROW BANK

U.S. Bank National Association
Los Angeles, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Series 2021A Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the Authority, the City or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the Authority, the City or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority, the City or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Series 2021A Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Preparation of Official Statement. The information set forth in this Official Statement has been furnished by the Authority, the City and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

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 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.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the Authority in any press release and in any oral statement made with the approval of an authorized officer of the City or the Authority or any other entity described or referenced herein, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. 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, give rise to any implication that there has been no change in the affairs of the Authority, the City or any other entity described or referenced herein since the date hereof.

Stabilization of Prices. In connection with this offering, the Underwriter may overallocate or effect transactions which stabilize or maintain the market price of the Series 2021A 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 Underwriter may offer and sell the Series 2021A Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Document Summaries. All summaries of the Indenture or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Series 2021A Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Series 2021A Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Series 2021A Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the Authority, the City, the other parties described in this Official Statement, or the condition of the property within the City since the date of this Official Statement.

Website. The City maintains a website. However, the information presented on the website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2021A Bonds.

TABLE OF CONTENTS

INTRODUCTION.....	1	Overlapping Debt Statement	44
General.....	1	Employee Retirement System	46
Security for the Series 2021A Bonds; Base		Other Post-Employment Benefits	51
Rental Payments.....	2	Employee Relations	52
No Reserve Fund	2	Risk Management	52
Application for Bond Insurance	3	Investment Policies and Procedures	53
Additional Bonds; Other Obligations	3	State Budget	54
The Authority	3	THE AUTHORITY	54
The City; The Fire Protection District	3	CONSTITUTIONAL AND STATUTORY	
Professionals Involved in the Offering	4	LIMITATIONS ON TAXES AND	
Forward-Looking Statements	4	APPROPRIATIONS	55
Risk Factors	5	Limitations on Revenues.....	55
Summaries Not Definitive.....	5	Statutory Revenue Limitations -	
FINANCING PLAN	5	Proposition 62.....	58
Refinancing of 2010 Bonds	5	Proposition 1A.....	58
The 2021 Project.....	5	Proposition 22	59
Estimated Sources and Uses of Funds.....	6	Unitary Property	59
Base rental Payment schedule	7	Possible Future Initiatives	59
THE PROPERTY	7	BOND OWNERS' RISKS.....	60
Description and Location.....	7	Limited Obligations	60
Modification of Property	8	Abatement of Lease	60
Substitution or Release of the Property	9	Limitation on Remedies	61
Release of Police Facility.....	10	Limitation on Trustee's Obligations under	
THE SERIES 2021A BONDS.....	11	the Indentures	61
General.....	11	Release of Property; Additional Bonds	61
Registration, Transfers and Exchanges	12	Insurance on the Property.....	62
Redemption	12	Condemnation of the Property	62
Book-Entry Only System	14	Value of Property	62
SECURITY FOR THE SERIES 2021A		No Acceleration Upon Default	63
BONDS.....	14	Early Prepayment Risk	63
Pledge of Base Rental Payments	14	Bankruptcy Risks	63
Additional Bonds	15	State Law Limitations on Appropriations	64
Base Rental Payments.....	16	Limitations on Taxes and Fees.....	64
Additional Rental Payments	17	Additional Obligations of the City	64
Abatement.....	18	Property Taxes.....	65
Action on Default.....	18	Public Health Emergencies.....	66
No Reserve Fund	19	Certain Risks Associated with Sales Tax	
Insurance.....	19	and Other Local Tax Revenues	67
THE CITY	20	Increasing Retirement Related Costs	68
General.....	20	Hazardous Substances	68
City Government and Administration	21	Natural Hazards	68
Public Health Emergency – COVID-19	22	Climate Change	70
CITY FINANCIAL INFORMATION	24	Cyber Security	70
Accounting Policies and Financial		Litigation.....	70
Reporting.....	24	Secondary Market for Bonds	71
Reserve Policy	25	TAX MATTERS.....	71
Budget Procedure, Current Budget and		CERTAIN LEGAL MATTERS	72
Historical Budget Information	27	LITIGATION	73
City Financial Statements	32	RATING	73
General Fund Major Revenues By Source ..	35	CONTINUING DISCLOSURE.....	74
Sales and Use Taxes	35	UNDERWRITING.....	75
Property Taxes	38	MUNICIPAL ADVISOR	75
Charges for Services.....	43	EXECUTION	75
Franchise Taxes.....	43		
Busines License Taxes	44		
Long-Term General Fund Obligations.....	44		

TABLE OF CONTENTS

(continued)

APPENDIX A -	DEMOGRAPHIC AND ECONOMIC INFORMATION FOR THE CITY OF FONTANA AND COUNTY OF SAN BERNARDINO
APPENDIX B -	SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS
APPENDIX C -	COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2020
APPENDIX D -	PROPOSED FORM OF OPINION OF BOND COUNSEL
APPENDIX E -	FORM OF CONTINUING DISCLOSURE CERTIFICATE
APPENDIX F -	DTC AND THE BOOK-ENTRY ONLY SYSTEM

OFFICIAL STATEMENT

\$ _____ *

FONTANA PUBLIC FACILITIES FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2021A

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the bonds captioned above (the “**Series 2021A Bonds**”) by the Fontana Public Facilities Financing Authority (the “**Authority**”). All capitalized terms used in this Official Statement, unless noted otherwise, have the meanings set forth in the Indenture (as defined below).

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 offering of the Series 2021A Bonds to potential investors is made only by means of the entire Official Statement.

General

The Authority will issue the Series 2021A Bonds pursuant to the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the “**Act**”), and an Indenture (the “**Indenture**”) dated as of November 1, 2021, by and among the Authority, the City of Fontana (the “**City**”) and U.S. Bank National Association, as trustee (the “**Trustee**”). Capitalized terms not defined elsewhere in this Official Statement have the meanings assigned to such terms in Appendix B – “SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS.”

The Series 2021A Bonds are being issued in fully registered book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“**DTC**”). Purchasers will not receive certificates representing their interest in the Series 2021A Bonds. Individual purchases will be in integral multiples of \$5,000. Principal of and interest on the Series 2021A Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who are obligated to remit such payments to the beneficial owners of the Series 2021A Bonds. See the caption “THE SERIES 2021A BONDS – Book-Entry Only System.”

The Series 2021A Bonds are subject to optional, mandatory sinking fund and extraordinary redemption prior to maturity as described in this Official Statement. See the caption “THE SERIES 2021A BONDS – Redemption.”

* Preliminary; subject to change.

The Series 2021A Bonds are being issued to provide funds to: (i) refinance all of the outstanding Fontana Public Financing Authority 2010 Lease Revenue Bonds (Taxable Recovery Zone Economic Development Bonds) (the “**2010 Bonds**”), which are outstanding in the aggregate principal amount of \$4,995,000; (ii) finance the acquisition, construction, and installation of certain public capital improvements in the City, including a new Fire Station No. 81 and a Training Facility located on the site of future Fire Station No. 80 (the “**2021 Project**”); and (iii) to pay the costs of issuing the Series 2021A Bonds. See “FINANCING PLAN.”

Security for the Series 2021A Bonds; Base Rental Payments

Under the Indenture, the Series 2021A Bonds are secured by a pledge and first lien on base rental payments (the “**Base Rental Payments**”) to be made by the City for the right to use certain real property and improvements (the “**Property**”) pursuant to a Lease Agreement dated as of November 1, 2021 (the “**Lease Agreement**”), between the City, as lessee, and the Authority, as lessor.

Pursuant to a Ground Lease, dated as of November 1, 2021 (the “**Ground Lease**”), the City will lease the Property to the Authority. The Authority will sublease the Property to the City under the Lease Agreement. The Lease Agreement obligates the City to make Base Rental Payments to the Authority.

The Trustee and the Authority will enter into an Assignment Agreement, dated as of November 1, 2021 (the “**Assignment Agreement**”), pursuant to which the Authority will assign to the Trustee for the benefit of the Bond Owners substantially all of the Authority’s right, title and interest in and to the Ground Lease and the Lease Agreement, including its right to receive the Base Rental Payments due under the Lease Agreement and to enforce any remedies in the event of a default by the City.

The City covenants under the Lease Agreement to take such action as may be necessary to include all Rental Payments, which are comprised of Base Rental Payments and Additional Rental Payments (which include taxes and assessments affecting the Property, administrative costs of the Authority relating to the Property, fees and expenses of the Trustee and other amounts payable under the Lease Agreement), due under the Lease Agreement as a separate line item in its annual budgets and to make the necessary annual appropriations therefor, subject to abatement as described in this Official Statement.

Base Rental Payments are subject to complete or partial abatement in the event and to the extent that there is substantial interference with the City’s right to use and occupy the Property or any portion thereof. See “SECURITY FOR THE SERIES 2021A BONDS – Abatement” and “BOND OWNERS’ RISKS – Abatement.” Abatement of Base Rental Payments under the Lease Agreement, to the extent payment is not made from alternative sources as set forth below, would result in all Bond Owners receiving less than the full amount of principal of and interest on the Series 2021A Bonds. To the extent that moneys in any of the funds and accounts established under the Indenture or proceeds of insurance are available, Base Rental Payments (or a portion thereof) may be made during periods of abatement.

No Reserve Fund

The Authority will not establish a debt service reserve fund for the Series 2021A Bonds.

Application for Bond Insurance

The Authority has applied for a municipal bond insurance policy guaranteeing the scheduled payment of principal of and interest on some or all of the maturities of the Series 2021A Bonds when due. The Authority will determine whether to purchase such policies in connection with the pricing of the Series 2021A Bonds. Should the Authority select a provider for such policies, then the Authority will include a summary of the terms of such policies in the final Official Statement.

Limited Obligation

THE SERIES 2021A BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE BASE RENTAL PAYMENTS AND OTHER ASSETS PLEDGED THEREFOR UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE CITY OR THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE SERIES 2021A BONDS.

THE OBLIGATION OF THE CITY TO PAY BASE RENTAL PAYMENTS DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, THE STATE OF CALIFORNIA, OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY OR THE STATE OF CALIFORNIA IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY OR THE STATE OF CALIFORNIA HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO POWER TO TAX.

Additional Bonds; Other Obligations

Under the Lease Agreement, the Authority may issue additional bonds (the “**Additional Bonds**”) payable from Base Rental Payments on a parity basis with the Series 2021A Bonds. The Series 2021A Bonds and any Additional Bonds are collectively referred to in this Official Statement as the “**Bonds**.” See the caption “SECURITY FOR THE SERIES 2021A BONDS – Additional Bonds.” The Lease Agreement does not limit the City’s right to incur additional obligations payable from its General Fund. The City has existing obligations payable from its General Fund. See “CITY FINANCIAL INFORMATION – Long-Term General Fund Obligations” for a description of such obligations.

The Authority

The Authority is a joint exercise of powers authority organized and existing pursuant to the Act and a Joint Exercise of Powers Agreement, dated as of September 1, 2014. Its members are the City and the Fontana Fire Protection District (the “**Fire Protection District**”). See “THE AUTHORITY.”

The City; The Fire Protection District

The City was incorporated on June 25, 1952 under the General Laws of the State of California (the “**State**”) in the County of San Bernardino (the “**County**”). The City is located approximately 50 miles east of Los Angeles, and approximately 10 miles west of the cities of

Riverside and San Bernardino and encompasses approximately 42.4 square miles. The City currently has an estimated population of approximately 214,000 persons.

The Fire Protection District serves the City and its sphere of influence. It was created effective July 1, 2008 to provide fire suppression, emergency medical, fire prevention and education services within the City limits and unincorporated area within the City's sphere of influence. The District is served by seven fire stations. Emergency response, administrative and support services are provided through a contract under the umbrella of the San Bernardino County Fire Department. The members of the City Council serve as the governing board of the Fire Protection District. All obligations of the Authority under the Indenture are special obligations of the Authority, payable solely from Rental Payments and the other assets pledged under the Indenture, as described herein. The Fire Protection District is not contractually obligated to make any such payments nor are any of its assets pledged as security for the Series 2021A Bonds under the Indenture. However, the City expects that the Fire Protection District will reimburse the City for Rental Payments on an annual basis. See "SECURITY FOR THE SERIES 2021A BONDS."

Professionals Involved in the Offering

CSG Advisors Incorporated, San Francisco, California, has acted as municipal advisor to the Authority and the City (the "**Municipal Advisor**"). U.S. Bank National Association, Los Angeles, California, will act as Trustee with respect to the Series 2021A Bonds and as Escrow Bank with respect to the 2010 Bonds. Stifel, Nicolaus & Company, Incorporated (the "**Underwriter**"), is underwriting the Series 2021A Bonds.

All proceedings in connection with the issuance of the Series 2021A Bonds are subject to the approval of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Bond Counsel. Certain legal matters will be passed upon for the Authority and the City by Best Best & Krieger LLP, Riverside, California, in its capacity as City Attorney, and by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by Kutak Rock LLP, Irvine, California, as Underwriter's Counsel. *Payment of the fees and expenses of Bond Counsel, Disclosure Counsel, the Municipal Advisor and Underwriter's Counsel is contingent upon the sale and delivery of the Series 2021A Bonds.*

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. 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. Although such expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The City is not obligated to issue any updates or revisions to the forward-looking statements if, or when, its expectations, or events, conditions or circumstances on which such statements are based change.

Risk Factors

Certain events could affect the ability of the City to make the Base Rental Payments when due. See the caption “BOND OWNERS’ RISKS” for a discussion of certain factors that should be considered, in addition to other matters that are set forth in this Official Statement, in evaluating an investment in the Series 2021A Bonds.

Summaries Not Definitive

The summaries of and references to documents, statutes, reports and other instruments in this Official Statement do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by the complete document, statute, report or instrument. Copies of the documents described in this Official Statement will be available at the office of the Management Services Director, City of Fontana, 8353 Sierra Avenue, Fontana, California 92335.

FINANCING PLAN

Refinancing of 2010 Bonds

The Fontana Public Financing Authority (the “**Financing Authority**”) issued the 2010 Bonds, which are currently outstanding in the aggregate principal amount of \$4,995,000, pursuant to an Indenture of Trust, dated as of November 1, 2010 (the “**2010 Indenture**”), by and between the Financing Authority and U.S. Bank National Association, as trustee (the “**2010 Trustee**”). The 2010 Bonds are payable from lease payments made under a Lease Agreement, dated as of November 1, 2010 (the “**2010 Lease**”), by and between the City and the Fontana Public Financing Authority. The City plans to apply a portion of the proceeds of the Series 2021A Bonds to refund all of the outstanding 2010 Bonds on _____, 2021 (the “**Redemption Date**”) at a redemption price equal to the outstanding principal amount of the 2010 Bonds, plus accrued interest to such date, without premium.

Under an Escrow Agreement (2010 Bonds), dated as of November 1, 2021 (the “**2010 Escrow Agreement**”), by and among the City, the Financing Authority and the U.S. Bank National Association, as escrow bank (the “**Escrow Bank**”) and as 2010 Trustee, the City will deliver a portion of the proceeds of the Series 2021A Bonds to the Escrow Bank for deposit in the escrow fund established under the 2010 Escrow Agreement (the “**2010 Escrow Fund**”). The Escrow Bank will hold the amounts so deposited in the 2010 Escrow Fund uninvested. From the moneys on deposit in the 2010 Escrow Fund, the Escrow Bank will pay on the Redemption Date the principal of the outstanding 2010 Bonds, plus interest accrued to such date, without premium. The moneys delivered to the Escrow Bank to redeem the 2010 Bonds are pledged solely to the redemption of such 2010 Bonds. Neither such moneys nor any related interest will be available for the payments of principal of and interest on the Series 2021A Bonds.

The 2021 Project

The 2021 Project consists of a new Fire Station No. 81 and a Training Facility (the “**Fire Protection District Training Facility**”) located on the site of future Fire Station No. 80.

Fire Station No. 81. Fire Station No. 81 is anticipated to be located at the intersection of Sierra Avenue and Casa Grande in the northern end of the City limits. When completed, Fire Station No. 81 is anticipated to consist of approximately 13,247 square feet. Fire Station No. 81

will be constructed in an effort to meet a goal of providing fire response times in the Fire Protection District of less than five minute response time 90% of the time. Construction of Fire Station No. 81 is anticipated to begin in January 2022 and to be completed in December 2022. Total construction costs of Fire Station No. 81 are estimated at approximately \$12 million all of which will be financed with proceeds of the Series 2021A Bonds.

Fire Protection District Training Facility. The Fire Protection District Training Facility is anticipated to be located on the site of future Fire Station No. 80, on Cherry Avenue between State Route 210 and South Highland Avenue in the northwest end of the City limits. The Fire Protection District Training Facility and Fire Station No. 80 will be constructed in two phases. The first phase will consist of the design, environmental review and construction of the Fire Protection District Training Facility. The second phase will consist of construction of Fire Station No. 81. When completed, the Fire Protection District Training Facility is anticipated to consists of approximately 3,500 square feet, including a 50 seat training classroom, a training tower, office space and storage. Construction of the Fire Protection District Training Facility is anticipated to begin in April 2022 and to be completed in March 2023. Total construction costs of the Fire Protection District Training Facility are estimated at approximately \$10 million all of which will be financed with proceeds of the Series 2021A Bonds.

Covenant Regarding Time of Completion. In the Lease Agreement, the City has covenanted to complete the construction and equipping of the 2021 Project on or prior to November 1, 2024, subject to excused delays pursuant to standard City procedures. It is agreed that, if the City does not cause the completion of the acquisition, construction, equipping and installation of the 2021 Project by its completion date specified above by construction contractors or a construction manager, whichever the City deems appropriate, liquidated damages will be assessed against the construction contractor for each day of unexcused delay in completion (in accordance with standard City procedure).

Estimated Sources and Uses of Funds

The estimated sources and uses of funds relating to the Series 2021A Bonds are as follows:

<u>Sources:</u>	<u>Amount</u>
Principal	\$
<i>Plus:</i> Available Funds Relating to 2010 Bonds	
<i>Less:</i> Underwriter's Discount	
<i>TOTAL SOURCES</i>	\$
<u>Uses:</u>	
Deposit to 2010 Escrow Fund ⁽¹⁾	\$
Project Fund ⁽²⁾	
Costs of Issuance ⁽³⁾	
<i>TOTAL USES</i>	\$

(1) To be used to refinance the outstanding 2010 Bonds pursuant to the terms of the 2010 Escrow Agreement. See "FINANCING PLAN – Refinancing of 2010 Bonds."

(2) To be used to finance the 2021 Project. See "FINANCING PLAN – The 2021 Project."

(3) Includes, among other things, the fees and expenses of Bond Counsel, Disclosure Counsel, the Trustee, Escrow Bank, the Municipal Advisor, rating agency fees, and printing the preliminary and final Official Statements.

BASE RENTAL PAYMENT SCHEDULE

Set forth below is a schedule of Base Rental Payments, which secure the Series 2021A Bonds, assuming no optional or extraordinary prepayments.

Base Rental Payment Date ⁽¹⁾	Principal	Interest	Total Base Rental Payments
--	------------------	-----------------	---

Total: _____

- (1) The Base Rental Payment Date is the third Business Day of the month prior to the corresponding Interest Payment Date for the Series 2021A Bonds.

THE PROPERTY

Description and Location

Base Rental Payments will be made by the City under the Lease Agreement for the use and occupancy of the Property. The Property will initially consist of the (i) Ben L. Abernathy Police Facility (the “**Police Facility**”); (ii) Fire Station No. 71; (iii) the future site of Fire Station No. 81; and (iv) the future site of the Fire Protection District Training Facility.

The Police Facility is located at 17005 Upland Avenue in the City. It is a 70,000 square foot two-story public safety facility with one floor underground and one floor above ground located

on a 1.65 acre site adjacent to the existing City Hall and Civic Center Complex. The facility includes a helipad on the roof, a radio and telephone communication system, a color photographic lab and a basic crime lab. In addition, the facility includes a public meeting room for approximately 100 people and an emergency operations command center. The insured value of the Police Facility as of the date hereof is approximately \$20.7 million. Under the Lease Agreement, the Authority will have the right to release the Police Facility from the Lease Agreement subject to the satisfaction of certain conditions. See “THE PROPERTY – Release of Police Facility.”

Fire Station No. 71 is located on a 1.37 acres in the downtown area of the City and consists of approximately 16,000 square feet. It was built in 2012 with proceeds of the 2010 Bonds. Fire Station No. 71 houses medical and firefighting trucks. The insured value of Fire Station No. 71 as of the date hereof is approximately \$7 million.

See “FINANCING PLAN – The 2021 Project” for a description of Fire Station No. 81 and the Fire Protection District Training Facility. Fire Station No. 71, Fire Station No. 81 and the Fire Protection District Training Facility are sometimes referred to herein collectively as the “**Fire Facilities.**”

Under the Lease Agreement, the leasehold interest in Fire Station No. 71 is scheduled to terminate automatically on November 1, 2042. After such date, the leased property under the Lease Agreement will consist solely of the Police Facility, Fire Station No. 81 and the Fire Protection District Training Facility unless the City substitutes alternate real property for any portion of the Property or releases a portion of the Property from the Lease Agreement, as described below. See “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS.”

Under the Lease Agreement, remedies available to the Authority and the Trustee to collect amounts due from the City do not include the right to accelerate the Base Rental Payments or otherwise declare any Base Rental Payments not then in default to be immediately due and payable . See “SECURITY FOR THE SERIES 2021A BONDS – Default; Remedies” below and “BOND OWNERS’ RISKS – Limitation on Remedies.”

Modification of Property

General. Under the Lease Agreement, subject to covenant relating to liens in the Lease Agreement as described in the subcaption “– *Covenant Regarding Liens*” below, the City and any sublessee, at its own expense, or with the proceeds of Additional Bonds, have the right to make additions, modifications, and improvements to any portion of the Property if such improvements are necessary or beneficial for the use of such portion of the Property. All such additions, modifications and improvements shall thereafter comprise part of the Property and be subject to the provisions of the Lease Agreement. Such additions, modifications and improvements shall not in any way cause an abatement of Rental Payments with respect to the Property or cause it to be used for purposes other than those authorized under the provisions of State and federal law or in any way which would impair the State tax-exempt status or the exclusion from gross income for federal income tax purposes of the interest on the Bonds and Additional Bonds (to the extent such Additional Bonds were issued as tax exempt Bonds); and the Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall have an annual fair rental value which is not less than the annual Rental Payments.

Subject to covenant relating to liens in the Lease Agreement as described in the subcaption “– *Covenant Regarding Liens*” below, the City and any sublessee, at its own expense,

or with the proceeds of Additional Bonds, have the right to make replacements, redevelopment or renovation of all or a portion of the Property if the following conditions precedent are satisfied:

- (i) The City receives an opinion of Bond Counsel, a copy of which the City shall furnish to the Authority and the Trustee, that (1) such replacement does not adversely affect the federal income tax exclusion or the State tax-exempt status of the interest with respect to the Bonds and Additional Bonds (to the extent such Additional Bonds were issued as tax exempt Bonds), and (2) the Lease Agreement will remain the legal, valid, binding and enforceable obligation of the City;
- (ii) In the event such replacement, redevelopment or renovation would result in the temporary abatement of Rental Payments as provided in the Lease Agreement the City shall have notified any rating agency then providing a rating on the Bonds and shall deposit moneys with the Trustee in advance for payment of Rental Payments from the proceeds of Additional Bonds or from special funds of the City or other moneys, the application of which would not, in the opinion of Bond Counsel (a copy of which shall have been delivered to the Trustee), result in such Rental Payments constituting indebtedness of the City in contravention of the Constitution and laws of the State; and
- (iii) The City shall certify to the Trustee that it has sufficient funds to complete such replacement, redevelopment or renovation.

Covenant Regarding Liens. In the event the City shall at any time during the term of the Lease Agreement cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Property, the City shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the City in, upon or about the Property and which may be secured by a mechanics', materialmen's or other lien against the Property or the Authority's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that, if the City desires to contest any such lien, it may do so as long as such contestment is in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the City shall forthwith pay and discharge said judgment.

Substitution or Release of the Property

Under the Lease Agreement, the City has the right to substitute alternate real property for any portion of the Property or to release a portion of the Property from the Lease Agreement. All costs and expenses incurred in connection with such substitution or release shall be borne by the City. Notwithstanding any substitution or release of Property, there shall be no reduction in or abatement of the Base Rental Payments due from the City under the Lease Agreement as a result of such substitution or release. Any such substitution or release of any portion of the Property is subject to the satisfaction of the conditions precedent set forth in the Lease Agreement, which include (among others) the following:

- the City shall have found that the Property, as constituted after such substitution or release, (i) has an annual fair rental value at least equal to the maximum Base

Rental Payments payable by the City in any Rental Period, and (ii) has a useful life in excess of the final maturity of any Outstanding Bonds;

- the City shall have obtained or caused to be obtained a CLTA or ALTA title insurance policy or policies with respect to any substituted property in the amount at least equal to the aggregate principal amount of any Outstanding Bonds of the type and with the endorsements described in the Lease Agreement;
- the City shall have provided the Trustee with an Opinion of Counsel to the effect that such substitution or release will not, in and of itself, cause the interest on the Bonds to be included in gross income for federal income tax purposes;
- the City, the Authority and the Trustee shall have executed, and the City shall have caused to be recorded with the San Bernardino County Recorder, any document necessary to reconvey to the City the portion of the Property being released and to include any substituted real property in the description of the Property contained herein and in the Ground Lease;
- no Event of Default (within the meaning of the Lease Agreement) has occurred and is continuing; and
- the City shall certify to the Trustee that any substitution shall not cause the City to violate any of its covenants, representations and warranties made in the Lease Agreement.

See “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS.”

Release of the Police Facility

Release Prior to Completion of 2021 Project. Without satisfying the requirements in the Lease Agreement for the release of the Property that are summarized under the caption “– Substitution or Release of Property” above and without regard to the requirements in the Lease Agreement for the release of the Police Facility that are summarized under the subcaption “– Release After Completion of 2021 Project” below, the Authority may provide for release and deletion of the Police Facility portion of the Property (the “**Released Portion**”) prior to completion of the 2021 Project from the Property such that the Fire Facilities constitute the Remaining Portion (the “**Remaining Portion**”), provided that the City shall satisfy the following conditions precedent:

- the City shall certify in writing to the Trustee and to the Authority that the construction contract and other arrangements for the construction of the 2021 Project comply with the requirements of the Lease Agreement, and that the City has deposited such amount, if any, to the Project Fund to cause the amount on deposit therein to equal the remaining estimated cost of the 2021 Project, including the City’s planned contingency amount, and has deposited sufficient moneys into the Principal Fund and Interest Fund maintained under the Indenture to pay all principal and interest payments scheduled to come due on the Bonds through the date that is six months following the completion date for the 2021 Project; and

- the City and the Authority shall file with the Trustee a copy of an amended Exhibit A and B to the Lease Agreement which deletes the Police Facility from the Lease Agreement (the “**Lease Supplement**”); and
- the City shall provide to S&P at least 21 days prior written notice of the City’s intention to cause the release of the Police Facility from the Lease Agreement, together with a copy of the Lease Supplement described above.

Release After Completion of 2021 Project. Without satisfying the requirements in the Lease Agreement for the release of the Property that are summarized under the caption “– Substitution or Release of Property” above and without regard to the requirements in the Lease Agreement for the release of the Police Facility that are summarized under the subcaption “– Release Prior to Completion of 2021 Project” above, the Authority may provide for release and deletion of the Police Facility portion of the Property from the Property after the completion of the 2021 Project such that the Fire Facilities constitutes the Remaining Portion, provided that the City shall satisfy the following conditions precedent:

- the City shall file with the Authority and the Trustee a copy of a Lease Supplement which deletes the Police Facility from the Lease Agreement; and
- the City shall have delivered the Completion Certificate to the Trustee described in the Lease Agreement.

Effect of Release. Upon the satisfaction of all the conditions in the Lease Agreement for the release of the Police Facility, the Lease Agreement shall thereupon end as to the Released Portion and shall thereupon continue as to the Remaining Portion, and the Police Facility shall be released from the Lease Agreement and no longer form part of the Property thereunder without further act or deed of the City, the Authority, or the Trustee. The City shall not be entitled to any reduction, diminution, extension or other modification of the Base Rental Payments whatsoever as a result of such deletion.

See “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS.”

THE SERIES 2021A BONDS

General

The Series 2021A Bonds will be issued in fully registered form without coupons in denominations of integral multiples of \$5,000. The Series 2021A Bonds will be dated as of and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) from the dated date thereof at the rates set forth on the inside cover page. Interest on the Series 2021A Bonds will be paid semiannually on [May 1, 2022] and each December 1 and May 1 thereafter (each, an “**Interest Payment Date**”).

Interest on the Series 2021A Bonds will be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Series 2021A Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, (ii) a Series 2021A Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable

from the dated date thereof, or (iii) interest on any Series 2021A 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 paid in full, payable on each Interest Payment Date. Interest will be paid in lawful money of the United States on each Interest Payment Date to the Persons in whose names the ownership of the Series 2021A Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Except when the Series 2021A Bonds are held in book-entry form, interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Series 2021A Bond Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date.

The principal and premium, if any, of the Series 2021A 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.

Registration, Transfers and Exchanges

The Series 2021A Bonds will be issued as fully registered bonds, registered in the name of Cede & Co. as nominee of DTC, and will be available to actual purchasers of the Series 2021A Bonds (the “**Beneficial Owners**”) in the denominations set forth above, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants (as defined in Appendix F) as described in this Official Statement. Beneficial Owners will not be entitled to receive physical delivery of the Series 2021A Bonds. See “– Book-Entry Only System” below.

Redemption*

Optional Redemption. The Series 2021A Bonds maturing on or after November 1, 20__, shall be subject to optional redemption, in whole or in part, on any date on or after November 1, 20__, in Authorized Denominations, from and to the extent of prepaid Base Rental Payments paid pursuant to the Lease Agreement, at a Redemption Price equal to the principal amount of the Series 2021A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Extraordinary Redemption from Condemnation Award or Insurance Proceeds. The Series 2021A Bonds shall be subject to redemption, in whole or in part, on any date, in Authorized Denominations, from and to the extent of any Net Insurance Proceeds received with respect to all or a portion of the Property, deposited by the Trustee in the Redemption Fund, at a Redemption Price equal to the principal amount of the Series 2021A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Sinking Fund Redemption. The Series 2021A Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on each November 1 on and after November 1, 20__, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

* Preliminary; subject to change.

***Sinking Fund Redemption Date
(November 1)***

***Principal Amount
To Be Redeemed***
\$_____

(maturity)

The Series 2021A Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on each November 1 on and after November 1, 20__, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

***Sinking Fund Redemption Date
(November 1)***

***Principal Amount
To Be Redeemed***
\$_____

(maturity)

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption (a) with respect to any optional redemption of Bonds of a Series, among maturities of Bonds of such Series as directed in a Written Request of the Authority, (b) with respect to any redemption pursuant to the Indenture and the corresponding provision of any Supplemental Indenture pursuant to which Additional Bonds are issued, among maturities of all Series of Bonds on a pro rata basis as nearly as practicable, and (c) with respect to any other redemption of Additional Bonds, among maturities as provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued, and by lot among Bonds of the same Series with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate and fair. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Bonds which may be separately redeemed.

Notice of Redemption. The Trustee on behalf and at the expense of the Authority shall mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Securities Depositories and to one or more Information Services, at least 20 but not more than 60 days prior to the date fixed for redemption. Such notice shall state the date of the notice, the redemption date, the redemption place and the Redemption Price and shall designate the CUSIP numbers, the Bond numbers and the maturity or maturities (except in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such Bonds will not accrue from and after the date fixed for redemption. Such notice may state that such redemption is conditioned upon sufficient funds being on deposit on the redemption date to redeem the Bonds so called for redemption. Such notice of redemption may also state that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same Series in authorized denominations

equal in aggregate principal amount representing the unredeemed portion of the Bonds surrendered.

Effect of Redemption. Notice having been mailed as described above, and moneys for the Redemption Price, and the interest to the applicable date fixed for redemption, having been set aside in the Redemption Fund, the Bonds shall become due and payable on said date, and, upon presentation and surrender thereof at the Office of the Trustee, said Bonds shall be paid at the Redemption Price thereof, together with interest accrued and unpaid to said date.

If, on said date fixed for redemption, moneys for the Redemption Price of all the Bonds to be redeemed, together with interest to said date, shall be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed without liability to such Owners for interest thereon.

Book-Entry Only System

The Series 2021A Bonds are registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Series 2021A Bonds. Ownership interests in the Series 2021A Bonds may be purchased in book-entry form only. So long as DTC, or Cede & Co. as its nominee, is the registered owner of all Series 2021A Bonds, all payments on the Series 2021A Bonds will be made directly to DTC, and disbursement of such payments to the DTC Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Participants, as more fully described in Appendix F.

As long as Cede & Co. is the registered owner of the Series 2021A Bonds, references herein to the Owners of the Series 2021A Bonds will refer to Cede & Co. and not to the Beneficial Owners. Neither the Authority nor the City gives any assurance that DTC, DTC Participants nor others will distribute payments with respect to the Series 2021A Bonds nor notices concerning the Series 2021A Bonds to the Beneficial Owners or that DTC will otherwise serve and act in the manner described in this Official Statement. See Appendix F for a further description of DTC and its book-entry system. The information presented therein is based solely on information provided by DTC.

See “APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM” for further information regarding DTC and the book-entry system.

SECURITY FOR THE SERIES 2021A BONDS

Pledge of Base Rental Payments

The Series 2021A Bonds are payable from and secured by the Base Rental Payments and certain amounts on deposit in the funds and accounts established under the Indenture. Base Rental Payments will be paid by the City from any and all legally available funds.

The Authority, pursuant to the Assignment Agreement, has assigned to the Trustee for the benefit of the Series 2021A Bond Owners all of the Authority’s right, title and interest in and to the Ground Lease and the Lease Agreement, including, without limitation, its right to receive the Base Rental Payments to be paid by the City under and pursuant to the Lease Agreement; provided

that the Authority will retain the rights to indemnification and to payment of reimbursement of its reasonable costs and expenses under the Lease Agreement. The City will pay Base Rental Payments directly to the Trustee, as assignee of the Authority. See the caption “– Base Rental Payments.”

Pursuant to the Indenture, the Authority may issue Additional Bonds payable from the Base Rental Payments on parity with the Series 2021A Bonds. See the caption “– Additional Bonds.”

Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Base Rental Payments and any other amounts (including proceeds of the sale of the Bonds) held in the Base Rental Payment Fund, the Interest Fund, the Principal Fund and the Redemption Fund are pledged 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. Said pledge constitutes a first lien on such assets.

All obligations of the Authority under the Indenture are special obligations of the Authority, payable solely from Rental Payments and the other assets pledged under the Indenture; provided, however, that all obligations of the Authority under the Bonds are special obligations of the Authority, payable solely from Base Rental Payments and the other assets pledged under the Indenture. Neither the faith and credit nor the taxing power of the Authority, the City or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

Additional Bonds

The Authority may at any time issue one or more Series of Additional Bonds (in addition to the Series 2021A Bonds) payable from Base Rental Payments on a parity with all other Bonds issued under the Indenture, but only subject to the following conditions precedent:

(a) The issuance of such Additional Bonds shall have been authorized under and pursuant to the Indenture and shall have been provided for by a Supplemental Indenture which shall specify the following: (1) the application of the proceeds of the sale of such Additional Bonds; (2) the principal amount and designation of such Series of Additional Bonds and the denomination or denominations of the Additional Bonds; (3) the date, the maturity date or dates, the interest payment dates and the dates on which mandatory sinking fund redemptions, if any, are to be made for such Additional Bonds; provided, however, that (i) the serial Bonds of such Series of Additional Bonds shall be payable as to principal annually on November 1 of each year in which principal falls due, and the term Bonds of such Series of Additional Bonds shall have annual mandatory sinking fund redemptions on November 1, (ii) the Additional Bonds shall be payable as to interest semiannually on May 1 and November 1 of each year, except that the first installment of interest may be payable on either May 1 or November 1 and shall be for a period of not longer than twelve months and the interest shall be payable thereafter semiannually on May 1 and November 1, (iii) all Additional Bonds of a Series of like maturity shall be identical in all respects, except as to number or denomination, and (iv) serial maturities of serial Bonds or mandatory sinking fund redemptions for term Bonds, or any combination thereof, shall be established to provide for the redemption or payment of such Additional Bonds on or before their respective maturity dates; (4) the redemption premiums and terms, if any, for such Additional Bonds; (5) the form of such Additional Bonds; and (6) if a reserve fund is to be established and maintained for such Series of Additional Bonds, the applicable reserve requirement and the amount, if any, to be deposited from the proceeds of sale of such Additional Bonds in such reserve

fund to be held as separate security for such Series of Additional Bonds; (7) designate accounts in the Interest Fund, the Principal Fund, the Redemption Fund, the Rebate Fund and the reserve fund (if any) to be applicable to such Additional Bonds; and (8) such other provisions that are appropriate or necessary and are not inconsistent with the provisions hereof, including the establishment of a capitalized interest fund for the Additional Bonds, if appropriate;

(b) The Authority shall be in compliance with all agreements, conditions, covenants and terms contained in the Indenture, in the Lease Agreement and in the Ground Lease required to be observed or performed by it;

(c) The City shall be in compliance with all agreements, conditions, covenants and terms contained in the Indenture, in the Lease Agreement and in the Ground Lease required to be observed or performed by it; and

(d) The Ground Lease shall have been amended, to the extent necessary, and the Lease Agreement shall have been amended so as to increase the Base Rental Payments payable by the City thereunder by an aggregate amount equal to the principal of and interest on such Additional Bonds, payable at such times and in such manner as may be necessary to provide for the timely payment of the principal of and interest on such Additional Bonds; provided, however, that no such amendment shall be made such that the sum of Base Rental Payments, including any increase in the Base Rental Payments as a result of such amendment, plus Additional Rental Payments, in any Rental Period shall be in excess of the annual fair rental value of the Property after taking into account the use of the proceeds of any Additional Bonds issued in connection therewith (evidence of the satisfaction of such condition shall be made by a Written Certificate of the City).

Nothing in the Indenture limits the issuance of any bonds or other obligations payable from Base Rental Payments if, after the issuance and delivery of such bonds or other obligations, none of the Bonds theretofore issued under the Indenture will be Outstanding.

Base Rental Payments

General. Rental Payments, including Base Rental Payments, will be paid by the City to the Authority for and in consideration of the right to use and occupy the Property and in consideration of the continued right to the quiet use and enjoyment thereof during each Rental Period for which such Rental Payments are to be paid. Each Base Rental Payment will be deposited with the Trustee no later than third day Business Day next preceding each Interest Payment Date (the “**Base Rental Deposit Date**”). All Base Rental Payments will be paid directly by the City to the Trustee, and if received by the Authority at any time shall be transferred by the Authority with the Trustee within one Business Day after the receipt thereof. All Base Rental Payments received by the Trustee shall be deposited by the Trustee in the Base Rental Payment Fund.

Pursuant to the Indenture, on the Business Day immediately preceding each Interest Payment Date, the Trustee will transfer amounts in the Base Rental Payment Fund to the Interest Fund and the Principal Fund as necessary to provide for the payment of the interest on and principal of the Series 2021A Bonds.

Fair Rental Value. The Authority and the City have agreed and determined that the annual fair rental value of the Property is not less than the maximum annual Rental Payments due in any year. In making such determination of fair rental value, consideration has been given

to the uses and purposes that may be served by the Property and the benefits therefrom which will accrue to the City and the general public. Payments of the Rental Payments for the Property during each Rental Period shall constitute the total rental for said Rental Period.

Covenant to Budget and Appropriate. The City covenants in the Lease Agreement to take such action as may be necessary to include all Rental Payments due thereunder as a separate line item in its annual budgets and to make necessary annual appropriations for all such Rental Payments. The City will deliver to the Authority and the Trustee a Certificate of the City stating that its final annual budget includes all Base Rental Payments due in such fiscal year within ten days after the filing or adoption thereof. The Lease Agreement declares that these covenants shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in the Lease Agreement agreed to be carried out and performed by the City.

Limited Obligation. THE OBLIGATION OF THE CITY TO MAKE THE BASE RENTAL PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE CITY OR OF THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY OR THE STATE OF CALIFORNIA IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY OR THE STATE OF CALIFORNIA HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

Additional Rental Payments

Under the Lease Agreement, the City is also required to pay, as Additional Rental Payments, such amounts as shall be required for the payment of the following:

- (a) all taxes and assessments of any type or nature charged to the Authority or the City or affecting the Property or the respective interests or estates of the Authority or the City therein;
- (b) all reasonable administrative costs of the Authority relating to the Property including, but without limiting the generality of the foregoing, salaries, wages, fees and expenses, compensation and indemnification of the Trustee payable by the Authority under the Indenture, fees of auditors, accountants, attorneys or engineers, and all other necessary and reasonable administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Indenture or the Lease Agreement or to defend the Authority and its members, officers, agents and employees;
- (c) insurance premiums for all insurance required pursuant to the Lease Agreement;
- (d) any amounts with respect to the Lease Agreement or the Bonds required to be rebated to the federal government in accordance with Section 148(f) of the Code;
- (e) all amounts due to the 2021 Insurer under the Indenture; and
- (f) all other payments required to be paid by the City under the provisions of this Lease Agreement or the Indenture.

Amounts constituting Additional Rental Payments payable under the Lease Agreement will be paid by the City directly to the person or persons to whom such amounts shall be payable. The City will pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60 days after notice in writing from the Trustee to the City stating the amount of Additional Rental Payments then due and payable and the purpose thereof.

Abatement

Base Rental Payments and Additional Rental Payments are paid by the City in each Rental Period for and in consideration of the right to use and occupy the Property. Except as otherwise specifically provided in the Lease Agreement, during any period in which, by reason of material damage to, or destruction or condemnation of, the Property, or any defect in title to the Property, there is substantial interference with the City's right to use and occupy any portion of the Property, Rental Payments shall be abated proportionately, and the City waives the benefits of Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all other rights to terminate the Lease Agreement by virtue of any such interference, and the Lease Agreement shall continue in full force and effect. The amount of such abatement shall be agreed upon by the City and the Authority; provided, however, that the Rental Payments due for any Rental Period shall not exceed the annual fair rental value of that portion of the Property available for use and occupancy by the City during such Rental Period. The City and the Authority shall calculate such abatement and shall provide the Trustee with a certificate setting forth such calculation and the basis therefor. Such abatement shall continue for the period commencing with the date of interference resulting from such damage, destruction, condemnation or title defect and, with respect to damage to or destruction of the Property, ending with the substantial completion of the work of repair or replacement of the Property, or the portion thereof so damaged or destroyed; and the term of the Lease Agreement will be extended as provided in the Lease Agreement, except that the term shall in no event be extended beyond the Maximum Lease Term.

Notwithstanding the foregoing, to the extent that moneys are available for the payment of Rental Payments in any of the funds and accounts established under the Indenture, Rental Payments shall not be abated as provided above but, rather, shall be payable by the City as a special obligation payable solely from said funds and accounts. The City is permitted to apply Net Insurance Proceeds: (a) together with other legally available funds that the City elects to contribute, to the repair, reconstruction or replacement of the damaged or destroyed portions of the Property; (b) to redeem Series 2021A Bonds; and/or (c) if the annual fair rental value of the Property is at least equal to 100% of the Base Rental Payments, to any other lawful purpose, including Base Rental Payments. See the captions "THE SERIES 2021A BONDS – Redemption – Extraordinary Redemption from Condemnation Award or Insurance Proceeds," "RISK FACTORS – Abatement" and Appendix B under the caption ["INDENTURE – SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS – Application of Net Insurance Proceeds."]

Action on Default

Should the City default under the Lease Agreement, the Trustee, as assignee of the Authority under the Lease Agreement, may terminate the Lease Agreement and recover certain damages from the City, or may retain the Lease Agreement and hold the City liable for all Base Rental Payments thereunder on an annual basis, and will have the right to re-enter and re-let the Property. *Base Rental Payments may not be accelerated upon a default under the Lease Agreement.* See the caption "BOND OWNERS' RISKS – No Acceleration Upon Default."

For purposes of certain actions of Bond Owners of a series under the Indenture and Lease Agreement, such as certain consents and amendments and the direction of remedies following default, such Bond Owners do not act alone and may not control such matters to the extent that such matters are not supported by the requisite number of the Owners of all Bonds and Additional Bonds, if any, of such series.

For a description of the events of default and permitted remedies of the Trustee (as assignee of the Authority) contained in the Lease Agreement and the Indenture, see Appendix B.

No Reserve Fund

No debt service reserve fund or account will be established by the Authority or the City in connection with the issuance of the Series 2021A Bonds.

Insurance

The Lease Agreement requires the City to maintain or cause to be maintained, throughout the term of the Lease Agreement:

(1) A standard commercial general liability insurance policy or policies in protection of the City, the Authority and their respective members, officers, agents and employees. Said policy or policies will provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or ownership of the Property. Said policy or policies must provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in a single accident or event, and in a minimum amount of \$500,000 for damage to property resulting from a single accident or event. Such commercial general liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the City, and may be maintained in whole or in part in the form of self-insurance by the City, provided that such self-insurance complies with the provisions of the Lease Agreement. The Net Insurance Proceeds of such liability insurance will be applied toward extinguishment or satisfaction of the liability with respect to which the Net Insurance Proceeds of such insurance have been paid.

(2) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the California Labor Code, or any act enacted as an amendment or supplement thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the City in connection with the Property and to cover full liability for compensation under any such act; provided, however, that the City's obligations to carry workers' compensation insurance may be satisfied by self-insurance, provided that such self-insurance complies with the provisions of the Lease Agreement.

(3) The City will maintain or cause to be maintained, fire, lightning and special extended coverage insurance (which includes coverage for vandalism and malicious mischief, but need not include coverage for earthquake damage) on all improvements constituting any part of the Property in an amount equal to the greater of 100% of the replacement cost of such improvements or 100% of the outstanding principal amount of the Bonds. The City has an insurance policy which provides replacement cost coverage. All of the foregoing insurance may

be subject to a deductible in an amount not to exceed \$500,000. The foregoing obligations may be satisfied by self-insurance, provided that such self-insurance complies with the provisions of the Lease Agreement. The City does not currently maintain earthquake insurance on the Property.

(4) The City will maintain rental interruption insurance to cover the Authority's loss, total or partial, of Base Rental Payments under the Lease Agreement resulting from the loss, total or partial, of the use of any part of the Property as a result of any of the hazards required to be covered pursuant to clause (3) above in an amount sufficient at all times to pay an amount not less than the product of two times the maximum amount of the Base Rental Payments scheduled to be paid during any Rental Period. *The City is not permitted to self-insure its obligation to maintain rental interruption insurance.*

The insurance required to be maintained by the Lease Agreement must be provided by reputable insurance companies with claims-paying abilities determined, in the reasonable opinion of a professionally certified risk manager or an independent insurance consultant, to be adequate for the purposes hereof.

The City will provide, at its own expense, one or more CLTA or ALTA title insurance policies for the Property, the form of which policy or policies shall be acceptable to the 2021 Insurer, in the aggregate amount of not less than the aggregate principal amount of the Bonds. Such policy or policies will insure: (a) the fee interest of the City in the Property; (b) the Authority's ground leasehold estate in the Property under the Ground Lease; and (c) the City's leasehold estate under the Lease Agreement in the Property, subject only to Permitted Encumbrances. All Net Insurance Proceeds received under said policy or policies will be deposited with the Trustee and applied as provided in the Indenture. So long as any of the Bonds remain Outstanding, each policy of title insurance obtained pursuant to the Indenture or Lease Agreement or required thereby must provide that all proceeds thereunder shall be payable to the Trustee for the benefit of the Bond Owners.

THE CITY

General

The City encompasses approximately 42.2 square mile and has an estimated population of 213,944 as of January 1, 2021. It is located 50 miles east of Los Angeles and is 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 and Administration

The City was incorporated as a general law city in 1952 and is governed by a Mayor and four council members elected at large to serve four-year terms. The City operates under a 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 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 in or near the City. The current City Council members and their respective term expiration dates are as follows:

<u>Name and Office</u>	<u>Term Expires</u>
Acquanetta Warren, <i>Mayor</i>	November, 2022
Phillip Cothran, <i>Mayor Pro Tem</i>	November, 2022
Peter Garcia, <i>Council Member</i>	November, 2024
John Roberts, <i>Council Member</i>	November, 2022
Jesus "Jesse" Sandoval, <i>Council Member</i>	November, 2024

The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Clerk, and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, for

overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

Public Health Emergency – COVID-19

General. The spread of the novel strains of coronavirus that causes the disease known as COVID-19 (“**COVID-19**”) and local, state and federal actions in response to COVID-19, is having a significant impact on the economy and on the City’s operations and finances. On February 11, 2020, the World Health Organization (“**WHO**”) announced the official name for the outbreak of COVID-19, an upper respiratory tract illness. COVID-19 has since spread across the globe. The COVID-19 pandemic has had an adverse effect on, among other things, the world economy, global supply chain, international travel and a number of travel-related industries. The temporary and permanent business closures caused by the COVID-19 pandemic have led to a stark increase in unemployment across the County and the nation. Depending on the length and the breadth of the impacts of the COVID-19 pandemic, the economic costs may be very significant for the City and the region’s economy. On June 8, 2020, the National Bureau of Economic Research announced that the United States of America officially entered into a recession in February 2020. In addition, capital markets in the United States and globally have been volatile.

Since mid-March 2020, based on guidance and directives from the State and public health agencies, including the County have implemented and revised Shelter-in-Place (“**Shelter-in-Place**”) emergency orders or directives, which directed individuals to stay home, except for limited travel for the conduct of essential services. Most retail establishments (including restaurants, bars and nightclubs, entertainment venues and gyms) were closed in response to the Shelter-in-Place orders or directives. The Governor of the State announced similar Shelter-in-Place emergency orders effective for the entire State. On August 28, 2020, the State released guidance (referred to as the “**Blueprint for a Safer Economy**”) regarding re-opening certain types of businesses based on a county-by-county approach where each county is assigned a tier based on COVID-19 case rates within each county.

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. According to the County, approximately 115,000 residents in the City, or 66% of residents ages 12 and older, were fully vaccinated as of September 13, 2021.

On June 15, 2021, the State moved beyond the Blueprint for a Safer Economy and all Shelter-in-Place orders or directives in the State were terminated. As a result, effective June 15, 2021, capacity limits, physical distancing requirements, and certain mask requirements for individuals who are fully vaccinated have terminated. Masks are still required on public transportation, in hospitals and jails, in schools and in other child care centers pending updated guidance from the Centers for Disease Control and Prevention. 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.

In June 17, 2021, the California Department of Industrial Relations, Division of Occupational Safety and Health (“**Cal/OSHA**”) revised its workplace regulations relating to COVID-19 prevention. Under the new Cal/OSHA regulations, unless they show symptoms, fully vaccinated employees do not need to be offered testing for COVID-19 or be excluded from work after close contact with a COVID-19 person. An employee is considered “fully vaccinated” if the

employer has documentation reflecting that the employee completed their vaccination series at least 14 days prior.

While significant portions of the population of the State have been vaccinated, COVID-19 variants have resulted increased infection rates (the cumulative case count in the City according to the County is 44,025 as of September 1, 2021) and the imposition of certain restrictions on commercial and other activities.

Financial Impact on City. The COVID-19 pandemic has adversely impacted the financial condition of the City. Previous, existing and potential impacts to the City associated with the COVID-19 outbreak include, but are not limited to, disruption of the regional and local economy, widespread business closures, and significantly higher levels of unemployment, with corresponding decreases in City revenues, as described below.

For Fiscal Year 2019-20, the City's General Fund revenues totaled approximately \$115 million, a decrease of \$2.1 million (or 1.8%) from Fiscal Year 2018-19. This decrease was primarily due to a decrease in the City's sales tax revenues of \$1.6 million and other revenues (consisting of charges for services, fines and forfeitures, interest revenue, and other revenue) of \$3.2 million due to Shelter-in-Place orders or directives that imposed operating restrictions on local businesses. The decreases in sales tax revenues and other revenues were partially offset by an increase in property tax revenues of \$2.5 million. The City's other tax revenues experienced mixed results with some (e.g. Franchise Taxes) not showing any harm from the Shelter-in-Place orders while others (e.g. Transient Occupancy Tax) being negatively impacted.

For Fiscal Year 2020-21, the City's General Fund revenues are estimated to total approximately \$141 million, an increase of approximately \$27 million (or 23%) from Fiscal Year 2019-20. This increase was primarily due to an increase of approximately \$8.5 million in sales taxes, an increase of approximately \$1 million in property taxes, an increase of approximately \$10.5 million in intergovernmental revenues, and an increase of approximately \$2.1 million in license and permit fees. The increase in intergovernmental revenues of \$10.5 million was due to one-time funding received from the State from its share of funding under the Coronavirus Aid, Relief, and Economic Security Act (the "**CARES Act**") in the amount of \$5.25 million, and funding under the federal Emergency Rental Assistance Program ("**ERAP**") established under the Consolidated Appropriations Act, 2021 in the amount of \$6.4 million, as described below.

On March 27, 2020, the \$2.2 trillion CARES Act was enacted which provides, among other measures, \$150 billion in financial assistance to states, tribal governments and local governments to provide emergency assistance to those most significantly impacted by the COVID-19 pandemic. Under the CARES Act, local governments are eligible for reimbursement of certain costs which are expended to address the impacts of the pandemic. As described above, the City received approximately \$5.25 million in CARES Act funds in fiscal year 2020-21 for direct and unbudgeted COVID-19 related expenses. Funds received by the City under the CARES Act are not available for payment of debt service on the Series 2021A Bonds and cannot be used to backfill City revenue losses related to the COVID-19 pandemic.

On December 27, 2020, the federal Consolidated Appropriations Act 2021 (the "**Appropriations Act**"), a \$900 billion COVID-19 relief bill, was signed into law and \$25 billion was allocated to the United States Treasury for the ERAP to assist households that are unable to pay rent or utilities due to the COVID-19 pandemic. Approximately \$1.4 billion was given directly to the State while the remaining balance was provided directly to local jurisdictions with populations above 200,000, including the City. To implement its funds from the Appropriations

Act, the State passed Senate Bill 91, which was signed by the Governor on January 29, 2021 (“**SB 91**”). Under SB 91, local jurisdictions with populations above 200,000 were given the option to have their funds administered through the State-administered program with the California Department of Housing and Community Development. In Fiscal Year 2020-21, the City received approximately \$6.4 million in Emergency Rental Assistance funds directly from the federal government, and a share of the State’s Emergency Rental Assistance funds. The City subsequently remitted all such funds to the California Department of Housing and Community Development for administration in accordance with the State and federal law.

On March 11, 2021, the President of the United States signed the American Rescue Plan, a \$1.9 trillion economic stimulus package designed to help the United States’ economy recover from the adverse impacts of the COVID-19 pandemic. The American Rescue Plan includes \$350 billion in unrestricted economic relief to states, counties, and local governments. On May 10, 2021, the U.S. Treasury Department released interim guidance for use of the American Rescue Plan funds, and specifically authorized, among other things, the use of funds to help offset revenue shortfalls caused by the pandemic. As of the date of this Official Statement, the City estimates it will receive a total of approximately \$50 million in funding under the American Rescue Plan. To date, the City has received approximately \$25 million of such funds and anticipates receiving a second installment in 2022. The City has not yet allocated such funding for specific purposes pending the release of final guidance from the United States government. See “CITY FINANCIAL INFORMATION – Budget Procedure, Current Budget and Historical Budget Information – 2021-2022 Adopted Budget”

The COVID-19 pandemic is ongoing, and its dynamic nature leads to uncertainties. There are many variables that will continue to contribute to the economic impact of the COVID-19 pandemic and the recovery therefrom, including the length of time social distancing measures are in place, the effectiveness of State and Federal governments’ relief programs and the timing for the containment and treatment of COVID-19. Certain of the information in this Official Statement is dated prior to the onset of the COVID-19 pandemic, which has had a significant adverse impact on the nation, State and local economy, including, but not limited to, a dramatic increase in unemployment levels. Accordingly, such information is not necessarily indicative of the current financial condition or future prospects of the City and the region. The ultimate impact of COVID-19 on the City’s operations and finances is not fully known, and it may be some time before the full impact of the COVID-19 pandemic is known. See “BOND OWNERS’ RISKS – Public Health Emergencies.”

CITY FINANCIAL INFORMATION

Accounting Policies and Financial Reporting

The City maintains its accounting records in accordance with Generally Accepted Accounting Principles (“**GAAP**”) and the standards established by the Governmental Accounting Standards Board (“**GASB**”). Combined financial statements of the City and its component units are produced following the close of each fiscal year of the City ended June 30 (each, a “**Fiscal Year**”).

The City Council employs an independent certified public accountant who examines at least annually the financial statements of the City in accordance with GAAP, including tests of the accounting records and other auditing procedures as such accountant considers necessary. As soon as practicable, after the end of the Fiscal Year, a final audit and report is submitted by the independent accountant to the City Council. The accounts of the City are organized on the basis

of funds and account groups. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The budget is adopted in accordance with GAAP. Revenues are recognized on the accrual basis (i.e., when they are earned). Expenditures are recorded when the related fund liability is incurred. See “APPENDIX C – Comprehensive Annual Financial Report of the City for the Fiscal Year Ended June 30, 2020 – Note (1)” for a description of the significant accounting policies of the City. See the caption “– City Financial Statements” for a discussion of the City’s audited financial statements for Fiscal Year 2019-20.

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those that are required to be accounted for in another fund because there are legal restrictions on their use. It is expected that debt service on the Series 2021A Bonds will be paid from amounts in the General Fund. Information on the remaining governmental funds of the City as of June 30, 2020, is set forth in Appendix B.

Reserve Policy

General Fund Reserves. The City maintains a reserve policy (the “**Reserve Policy**”). Under the Reserve Policy, it is the responsibility of the City Council to maintain a sufficient level of reserve funds to provide for the orderly provision of services to the citizens of the City. The City Council has the authority to decide the circumstances under which the reserves can be used. The City Manager and the Management Services Director may, from time to time, make recommendations as to the level of reserve funds necessary for prudent fiscal management. Reserve levels are reviewed at least annually during the budget process to ensure that they are consistent with the conditions faced by the City.

Under the Reserve Policy, the City maintains the following five categories of General Fund reserves as part of the General Fund:

Contingency Reserve. The City will maintain a contingency reserve of at least 15% of the appropriated operating expenditures (excluding transfers out) adopted at the beginning of the fiscal year, which would be sufficient to finance operations for a period of two months (the “**Contingency Reserve**”). The primary purpose of this reserve is to protect the City’s ability to provide ongoing services to its citizens in the case of an unanticipated event. The balance in the Contingency Reserve was approximately \$15.3 million as of June 30, 2020, or 15% of operating expenditures (excluding transfers out) adopted at the beginning of Fiscal Year 2019-20. The City estimates that the balance in the Contingency Reserve was approximately \$18.9 million as of June 30, 2021, or 15% of operating expenditures (excluding transfers out) adopted at the beginning of Fiscal Year 2020-21.

Economic Uncertainty Reserve. The City will strive to maintain an economic uncertainty reserve of at least 10% of the budgeted recurring revenues (excluding transfers in and development-related revenue) adopted at the beginning of the fiscal year (the “**Economic Uncertainty Reserve**”). The primary purpose of this reserve is to avoid the need for service level reductions in the event an economic downturn causes revenues to come in lower than budget. The Economic Uncertainty Reserve may be increased from

time to time in order to address specific anticipated revenue shortfalls (state actions, etc.). The balance in the Economic Uncertainty Reserve was approximately \$8.5 million as of June 30, 2020, or 7.4% of the budgeted recurring revenues (excluding transfers in and development-related revenue) adopted at the beginning of Fiscal Year 2019-20. The City estimates that the balance in the Economic Uncertainty Reserve was approximately \$8.5 million as of June 30, 2021, or 7.7% of the budgeted recurring revenues (excluding transfers in and development-related revenue) adopted at the beginning of Fiscal Year 2020-21.

PERS Reserve. The City will maintain a reserve in order to smooth out fluctuations in contribution rates to the City's pension plans (the "**PERS Reserve**"). The PERS Reserve is funded by funding the PERS employer contributions at the average normal rate over the prior nine years (16% for miscellaneous employees and 34% for safety employees). Budgeted contributions that exceed actual contributions will increase the reserve amount; actual contributions that exceed the budgeted contributions will decrease the reserve amount. The balance in the PERS Reserve was approximately \$5.7 million as of June 30, 2020. The City estimates that the balance in the PERS Reserve was approximately \$5.9 million as of June 30, 2021.

Expenditure Control Budget Reserve. Expenditure control budgeting provides an incentive for departments to achieve efficiencies in providing funded service levels. At the end of each year, costs savings are calculated on a department-by-department basis and 50% of that amount is reserved on a departmental basis for one-time expenditures in future years ("**ECB Reserve**"). The use of ECB funds is subject to City Council approval. In connection with the City's Third Quarter Budget Review for Fiscal Year 2019-20, the City applied the entire balance in the ECB Reserve at such time (in the amount of approximately \$1.8 million) to partially offset projected losses to revenue due to the COVID-19 pandemic for such Fiscal Year. As a result, the balance in the ECB Reserve totaled zero dollars as of June 30, 2020. The City estimates that the balance in the ECB Reserve totaled zero dollars as of June 30, 2021.

Other General Funds. The City maintains certain funds that the City generally refers to as "Other General Funds." Similar to reserves, Other General Funds have been established by the City to set aside financial resources for specific purposes and are funded by transfers from the General Fund based on need, including for facility maintenance, self-insurance, and City technology. Other General Funds are not maintained within the City's General Fund. However, Other General Funds are consolidated with the City's General Fund for financial reporting purposes.

The following table shows the balances of the General Fund reserves and Other General Funds as of June 30 of the years 2017 through 2020 based on the City's audited financial statements, and the estimated balances of such reserves and funds as of June 30, 2021.

**CITY OF FONTANA
GENERAL FUND RESERVES AND OTHER GENERAL FUNDS**

	<i>Fiscal Year Ended June 30</i>				
	2017	2018	2019	2020	2021*
General Fund Reserves					
Contingency Reserve ⁽¹⁾	\$12,931,000	\$13,557,000	\$14,670,000	\$15,297,000	\$15,884,000
Economic Uncertainty Reserve ⁽¹⁾	6,795,437	6,919,867	6,919,867	8,500,057	8,514,643
PERS Reserve ⁽²⁾	3,446,363	3,446,364	4,588,085	5,700,690	5,869,393
ECB Reserve ⁽²⁾	1,968,353	1,760,877	1,578,985	--	--
Total General Fund Reserves	\$25,141,153	\$25,684,108	\$27,756,937	\$29,835,142	\$30,268,036
Other General Funds ⁽³⁾					
City Technology ⁽⁴⁾	\$1,247,377	\$1,267,999	\$1,713,840	\$1,012,470	\$6,023,053
Facility Maintenance	1,076,270	577,476	571,076	795,745	824,685
Office of Emergency Services ⁽⁴⁾	44,791	33,797	13,817	(186,256)	460,260
Government Access/KFON	1,071,523	1,151,682	1,236,229	1,341,403	1,427,732
Self Insurance	578,183	2,280,791	1,677,263	5,317,375	8,198,625
Retiree Medical Benefits	23,075,417	23,788,029	24,671,256	25,330,509	25,588,232
Supplemental Retirement Plan	19,888	2,601	4,646	2,791	1,608
General Fund Operating Projects	103,991	66,398	65,536	104,210	291,795
Storm Water Compliance	192,435	195,366	169,300	139,642	209,680
Total Other General Funds ⁽⁴⁾	\$27,409,875	\$29,364,139	\$30,122,963	\$33,857,889	\$43,025,670
Total General Fund Reserves and Other General Funds	\$52,551,028	\$55,048,247	\$57,879,900	\$63,693,031	\$73,293,706

(1) Maintained as part of unassigned fund balance of the General Fund.

(2) Maintained as part of the committed fund balance of the General Fund.

(3) Other General Funds are not maintained within the General Fund.

(4) The balance as of June 30, 2021, includes approximately \$3.7 million programmed to be spent in Fiscal Year 2021-22.

Source: City of Fontana.

* Estimated; subject to change.

Budget Procedure, Current Budget and Historical Budget Information

General. The annual budget serves as the foundation for the City's financial planning and policy making. The budget is prepared according to fund, function (e.g., public safety), and department (e.g., police). Starting in Fiscal Year 2021-22, the City transitioned to a two year budget process. As such, the City Council adopts a budget biennially which begins in the first fiscal year and covers a two-year period beginning on July 1 and running through June 30 for two years. Beginning July 1, the budget process approves operating appropriations at the department and fund level and allows the City to make resource allocation decisions as well as determining which program priorities will be addressed in the coming Fiscal Year. Although the City Council deliberates the proposed budget in June, the budget process occurs throughout the year, as described below.

Budget Timeline. In preparing the two-year budget, several key meetings are held and documents produced that significantly affect its development. The following is a description of each of these along with a calendar of key dates in the preparation process.

The Management Services department is responsible for preparing the budget documents. The process begins in January with the budget "kick-off" meeting and opening of the on-line budget system to departments.

In February of each year, the City Council is provided with a detailed update and review of the City's financial condition at the mid-point of the fiscal year along with year-end fund balance projections.

Departments enter revenue projections by January 31 of each year directly into the budget system. Departments enter expenditure requests by March 31 of each year, with the exception of personnel, directly into the budget system. The Management Services Department calculates and provides to each department personnel costs and General Fund operating target numbers. Departments identify which Budget Units should be charged for the personnel costs by position number. Departments are required to enter operating expenditures equal to or less than their target numbers. Requests for new funding are entered into the budget system with specific documentation provided to Management Services.

Before requests are submitted to the City Manager, the Management Services Department reviews and analyzes all supporting documentation. Then, in April of each year, the City Manager and Management Services staff holds meetings with each department and/or organization to discuss the budget requests and obtain additional information if necessary. Following these meetings, line item requests are adjusted in accordance with the City Manager's funding decisions. The Proposed Budget is then presented to the City Council for consideration and approval. Changes made by the City Council during the budget deliberation process will be incorporated into the adopted budget.

On or before June 30, the City Council votes to adopt the budget, including any amendments to the proposed budget that may occur, by an affirmative vote of the majority of the City Council. At any meeting after the adoption of the budget, the City Council may amend or supplement the budget by a majority vote of the City Council.

Upon final adoption, the budget becomes the legal authorization for the various departments to expend appropriations, subject to any controls established by the City Manager, City Council and internal audit requirements. The budget is also published and distributed to interested parties.

Once the budget is adopted by the City Council, the responsibility of implementing each departmental budget lies with each department head, with ultimate responsibility resting with the City Manager. Department directors are expected to operate their departments within the appropriations established in the budget. In certain cases, however, amendment requests are considered where unforeseen events have occurred. In such cases, the department head and Management Services Director may approve transfers within the same fund, division and expenditure category. Transfers moving funds from one division or department to another or one category to another within the same fund requires the approval of the department head, Management Services Director, and City Manager. To amend or supplement the budget by the transfer of all or any part of unused and unencumbered balances appropriated for one purpose to another purpose, to appropriate available funds not included in the budget, or to cancel in whole or in part any appropriation not expended or encumbered or to move funds from one fund to another fund requires an affirmative vote of the City Council.

Budget Policy. Budgetary control is set at the department level by fund to ensure compliance with the budget as approved by the City Council. The City's budget policy requires the following:

- All appropriations lapse at fiscal year end. Outstanding encumbrance balances at fiscal year end require re-approval by the City Council, typically as part of the First Quarter Budget Review.
- City Council approval for all new appropriations and increases to estimated revenues.
- City Council approval for budgetary changes between funds.
- City Manager approval for project changes within the same fund.
- Departments may transfer budget between divisions in the same department and fund.
- Budget Reviews to be prepared on a quarterly basis and submitted to City Council for approval.

Adopted Budget for Fiscal Year 2020-21. The City Council adopted the City's operating budget for Fiscal Year 2020-21 (the "**2020-21 Adopted Budget**") on June 23, 2020. The 2020-21 Adopted Budget reflects a balanced General Fund budget. The 2020-21 Adopted Budget included revenue reductions related to COVID-19 and was balanced through operational savings, the deferral of projects, the one-time deferral of retiree medical contributions, and the judicious use of reserves. The 2020-21 Adopted Budget closed an estimated \$8.64 million deficit by implementing the following solutions: (i) a one-time deferral of the annual transfer to the Retiree Medical Fund of \$2.5 million for OPEB costs; (ii) a reduction in recurring capital reinvestment transfers including a \$1.5 million reduction in the pavement rehabilitation program; (iii) a reduction in the PERS Reserve of \$1.3 million; (iv) reductions in operating cost totaling \$2.55 million; and (v) a deferral of fleet costs of \$810,000. In connection with its First Quarter Budget Review for Fiscal Year 2020-21, the City determined that the revenue shortfall for Fiscal Year 2019-20 was not as significant as initially projected in the 2020-21 Adopted Budget when initially adopted. As a result, the City subsequently reversed the deferral of the annual transfer to the Retiree Medical Fund, the reduction in the PERS Reserve, and deferral of fleet costs described above. No reductions were made to full-time staff compensation or hours in connection with the 2020-21 Adopted Budget.

Adopted Budget for Fiscal Years 2021-23. The City Council adopted the City's operating budget for Fiscal Years 2021-22 and 2022-23 (the "**2021-23 Adopted Budget**") on June 8, 2021. The 2021-23 Adopted Budget is fiscally balanced and continues to support the City's core services, maintenance, facilities and infrastructure in line with the priorities of the City Council. In the 2021-23 Adopted Budget, General Fund revenues for Fiscal Year 2021-22 are projected to decrease by approximately \$18.8 million, or 13%, when compared to estimated General Fund revenues for Fiscal Year 2020-21. This \$18.8 million decrease is due primarily to decreases when compared to estimated General Fund revenues for Fiscal Year 2020-21 in intergovernmental revenues of approximately \$10.6 million, sales tax revenues of approximately \$4.3 million, and other revenues (including code enforcement fines, animal licenses, passport fees and other miscellaneous revenues) of approximately \$4.5 million. In particular, intergovernmental revenues for Fiscal Year 2020-21 were buoyed by federal and State funding totaling approximately \$11.65 million under the CARES Act and ERAP. Intergovernmental revenues for Fiscal Year 2021-22 are

budgeted to total approximately \$1.8 million, reflecting a lack of such one-time federal and State funding. Such decreases are projected to be offset by an increase in property tax revenue of approximately \$1.2 million reflecting an anticipated growth of 4% in assessed values, and an increase of approximately \$1.6 million in charges for services assuming City facilities and programs will be open for three quarters of Fiscal Year 2021-22.

With respect to expenditures, in the 2021-23 Adopted Budget, total General Fund expenditures are projected to increase approximately \$1.5 million, or 1%. In particular, City administration expenses are budgeted to decrease approximately \$6.8 million, reflecting the absence of one-time ERAP funding in Fiscal Year 2020-21 which was recognized as an expense when remitted to the California Department of Housing and Community Development for administration. Such decrease is projected to be offset by an increase in expenditures for police of approximately \$2.7 million, or 4%, reflecting increases in accordance with the City's contractual obligations, and an increase in community services expenditures of approximately \$5.3 million, or 40%, which assumes facilities and program will be open for three quarters of Fiscal Year 2021-22.

Comparison of Budget to Actual Performance. The following table shows (i) the City's final budget and actual results for General Fund revenues and expenditures for the two most recently completed Fiscal Years, (ii) the City's budget for such Fiscal Years and Fiscal Year 2021-22, and (iii) estimated results for General Fund revenues and expenditures for Fiscal Year 2020-21. During the course of each Fiscal Year, the budget may be amended and revised as necessary by the City Council; budgeted amounts shown reflect such amendments and revisions in certain Fiscal Years.

Table 1
CITY OF FONTANA
General Fund Budget Summary
Fiscal Years 2018-19 through 2021-22

	Adopted Budget 2018-19	Audited 2018-19	Adopted Budget 2019-20	Audited 2019-20	Adopted Budget 2020-21	Estimated Actuals 2020-21 ⁽¹⁾	Adopted Budget 2021-22
Revenues:							
Taxes	\$80,916,569	\$86,352,956	\$82,454,700	\$87,885,403	\$92,571,500	\$98,045,049	\$93,331,550
Licenses and permits	5,045,610	5,636,425	5,514,100	5,719,326	6,267,080	7,829,003	6,692,600
Intergovernmental ⁽²⁾	2,663,620	1,909,338	1,654,440	1,392,634	12,367,803	11,915,314	1,790,800
Charges for services	12,596,240	13,696,836	12,227,513	11,933,119	11,446,500	11,412,991	13,062,370
Fines and forfeitures	793,000	959,977	788,450	730,726	824,600	683,508	737,300
Investment earnings	4,506,700	5,544,493	4,618,800	5,137,597	4,963,730	4,102,258	4,153,540
Other revenue ⁽³⁾	5,641,186	2,926,519	3,676,206	2,094,444	6,615,406	7,690,339	3,151,030
Total Revenues	\$112,162,925	\$117,026,544	\$110,934,209	\$114,893,249	\$135,056,619	\$141,678,462	\$122,919,190
Expenditures:							
Current:							
General government:							
City council and commissions	\$362,989	\$376,127	\$380,480	\$384,960	\$409,500	\$399,208	\$433,530
City administration	5,791,247	5,401,902	6,815,390	7,328,145	11,313,162	12,400,323	5,603,930
Management services	3,059,581	3,052,580	3,419,930	3,605,035	8,652,634	4,641,894	3,184,230
Information technology	9,109,022	7,104,651	9,843,112	8,333,508	12,996,002	7,741,927	8,736,410
Human resources	11,049,102	10,802,311	10,124,320	10,361,954	11,601,635	10,962,094	10,630,580
Public safety:							
Police	60,615,934	58,443,677	63,061,554	62,242,899	67,888,729	65,996,280	68,739,230
Public works	12,755,764	11,725,091	13,095,257	12,644,001	13,591,224	12,489,377	13,779,500
Community Development	4,720,912	4,270,709	4,471,298	4,260,620	4,799,098	4,605,468	4,553,400
Community services	12,777,199	12,123,507	11,684,495	10,827,166	10,194,695	7,880,062	13,223,370
Engineering	3,399,625	3,417,797	3,374,555	3,538,753	3,853,262	3,619,625	3,837,470
Capital Outlay	1,674,490	1,360,338	--	--	1,430,021	828,384	327,670
Total Expenditures	\$125,315,865	\$118,078,690	\$126,270,391	\$123,527,040	\$146,729,962	\$131,564,642	\$133,049,320
Revenues over (under expenditures)	(13,152,940)	(1,052,146)	(15,336,182)	(8,633,791)	(11,673,343)	10,113,820	(10,130,130)
Other Financing Sources (uses)							
Transfers in	\$30,521,755	\$15,780,326	\$31,183,546	\$16,100,667	\$14,833,810	\$15,078,405	\$15,367,770
Transfers out	(22,139,945)	(7,301,551)	(24,466,881)	(4,383,641)	(7,942,040)	(7,772,502)	(5,180,190)
Sale of capital assets	231,066	245,183	451,200	674,505	1,500	153,669	1,500
Total other sources (uses)	\$8,612,876	\$8,723,958	\$7,167,865	\$12,391,531	\$6,893,270	\$7,459,572	\$10,189,080
Net Change in Fund Balance	(4,540,064)	7,671,812	(8,168,317)	3,757,740	(4,780,073)	17,573,392	58,950
Fund Balance-beginning of year	87,046,294	87,046,294	94,718,106	94,718,106	98,475,846	98,475,846	116,049,238
Fund Balance-end of year	\$82,506,230	\$94,718,106	\$86,549,789	\$98,475,846	\$93,695,773	\$116,049,238	\$116,108,188

(1) Estimated; subject to change.

(2) Increase in Fiscal Year 2020-21 of approximately \$10.5 million is primarily due to the City's receipt of \$5.25 million in CARES Act funding and approximately \$6.4 million in ERAP funds. See "– Public Health Emergency – COVID-19 – Financial Impact on City."

(3) Includes code enforcement fines, animal licenses, passport fees and other miscellaneous revenues.

Source: City of Fontana Comprehensive Annual Financial Report for the Fiscal Years 2018-19 and 2019-20; City of Fontana Adopted Budgets for Fiscal Years 2018-19, 2019-20, and 2020-21; and City of Fontana for estimated actuals for Fiscal Year 2020-21.

City Financial Statements

A copy of the most recent audited financial statements of the City (the “**Financial Statements**”) for the Fiscal Year ended June 30, 2020, prepared by DavisFarr LLP, Irvine, California (the “**Auditor**”), is included as Appendix C to this Official Statement. The Auditor’s letter dated March 31, 2021 is set forth therein. The Financial Statements are public documents and are included within this Official Statement without the prior approval of the Auditor. Accordingly, the Auditor has not performed any post-audit analysis of the financial condition of the City, nor has the Auditor reviewed or audited this Official Statement.

Certain financial information that is set forth in this Official Statement is derived from the Financial Statements and the City’s audited financial statements for prior years (excluding certain non-cash items and after certain other adjustments) and is qualified in their entirety by reference to such statements, including the notes thereto. The Auditor has not reviewed or audited such financial information or any other portion of this Official Statement.

In the Financial Statements, data relating to governmental funds such as the General Fund focus on current financial resources, which emphasize near-term inflows and outflows of expendable resources as well as balances of expendable resources at the end of each Fiscal Year.

The City’s accounting and budgeting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and the expenditures being recorded when the services or goods are received or the liabilities incurred, in each case regardless of the timing of related cash flows. As examples, property taxes, franchise fees, investment income and charges for services are considered to be susceptible to accruals and recognized as revenues in the year for which they are levied. For these purposes, the City considers revenues as available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The following table shows the City’s audited General Fund balance sheets for Fiscal Years 2015-16 through 2019-20.

Table 2
CITY OF FONTANA
General Fund Balance Sheets
Fiscal Years 22015-16 through 2019-20

	Audited 2015-16	Audited 2016-17	Audited 2017-18	Audited 2018-19	Audited 2019-20
Assets:					
Cash and investments	\$48,470,510	\$52,222,070	\$50,395,831	\$60,783,731	\$64,089,478
Receivables:					
Accounts	2,164,635	2,161,379	3,467,019	2,381,914	2,297,648
Interest	126,693	139,212	201,296	282,043	178,668
Loans to Successor Agency	30,645,664	29,947,288	29,165,108	28,289,067	27,307,900
Allowance for doubtful accounts	(197,776)	(189,651)	(249,352)	(195,651)	(200,484)
Due from other funds	1,543,031	419,387	2,823,652	1,893,899	3,143,191
Due from other governments	11,477,345	7,831,411	6,702,265	8,195,823	8,873,464
Inventories	357,181	321,580	349,801	330,543	327,065
Deposits	71,842	74,327	115,038	63,175	69,025
Restricted assets:					
Cash with fiscal agent	376,900	376,900	376,900	376,900	376,900
Total Assets	\$95,036,025	\$93,303,903	\$93,347,558	\$102,410,444	\$106,462,755
Liabilities, Deferred Inflow of Resources and Fund Balance					
Liabilities:					
Accounts payable	\$6,439,735	\$6,350,732	\$4,856,010	\$6,095,396	\$6,413,800
Deposits payable	302,783	308,938	302,741	484,830	526,500
Due to other governments	9,769	9,768	9,769	9,769	967
Total Liabilities	\$6,752,287	\$6,669,438	\$5,168,520	\$6,589,995	\$6,941,317
Deferred Inflows of Resources					
Unavailable Revenue	\$966,992	\$1,184,281	\$1,132,744	\$1,093,343	\$1,045,592
Total Deferred Inflows of Resources	\$966,992	\$1,184,281	\$1,132,744	\$1,093,343	\$1,045,592
Fund Balances					
Nonspendable	\$429,023	\$395,907	\$464,839	\$393,718	\$396,090
Restricted	1,087,820	1,071,523	1,151,682	1,236,229	1,341,403
Committed	4,726,998	5,414,716	5,207,240	6,167,070	5,700,690
Assigned	34,514,464	24,446,674	25,141,842	26,455,278	27,473,651
Unassigned	46,558,441	54,121,364	55,080,691	60,465,811	63,564,012
Total Fund Balances	\$87,316,746	\$85,450,184	\$87,046,294	\$94,718,106	\$98,475,846
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$95,036,025	\$93,303,903	\$93,347,558	\$102,401,444	\$106,462,755

Source: City of Fontana Comprehensive Annual Financial Report for Fiscal Years 2015-16 through 2019-20.

The following table shows the City's audited General Fund statements of revenues, expenditures and changes in fund balance for Fiscal Years 2016-17 through 2020-21.

Table 3
CITY OF FONTANA
Statements of Revenues, Expenditures and Changes in General Fund Balance
Fiscal Years 2016-17 through 2020-21

	Audited 2016-17	Audited 2017-18	Audited 2018-19	Audited 2019-20	Estimated Actuals 2020-21⁽¹⁾
Revenues:					
Taxes	\$72,723,920	\$76,088,845	\$86,352,956	\$87,885,403	\$98,045,049
Licenses and permits	4,007,440	4,010,138	5,636,425	5,719,326	7,829,003
Intergovernmental	1,969,909	1,885,070	1,909,338	1,392,634	11,915,314
Charges for services	6,923,786	11,881,758	13,696,836	11,933,119	11,412,991
Fines and forfeitures	772,580	909,058	959,977	730,726	683,508
Investment earnings (Loss)	4,287,795	4,154,182	5,544,493	5,137,597	4,102,258
Other revenue	7,417,977	10,041,783	2,926,519	2,094,444	7,690,339
Total Revenues	\$98,103,407	\$108,970,832	\$117,026,544	\$114,893,249	\$141,678,462
Expenditures:					
Current:					
General government:					
City council and commissions	\$313,962	\$308,043	\$376,127	\$384,960	\$399,208
City administration ⁽²⁾	4,486,366	4,401,270	5,401,902	7,328,145	12,400,323
Management services	2,816,58	3,007,511	3,052,580	3,605,035	4,641,894
Information technology	5,664,826	6,637,647	7,104,651	8,333,508	7,741,927
Human resources	11,777,980	12,574,255	10,802,311	10,361,954	10,962,094
Public safety:					
Police	51,733,654	55,522,413	58,443,677	62,242,899	65,996,280
Public works	11,000,397	11,693,206	11,725,091	12,644,001	12,489,377
Community development	3,454,273	4,033,337	4,270,709	4,260,620	4,605,468
Community services ⁽³⁾	11,252,294	11,629,283	12,123,507	10,827,166	7,880,062
Engineering	2,662,868	2,938,713	3,417,797	3,538,752	3,619,625
Capital Outlay	678,838	267,635	1,360,338	--	828,384
Total Expenditures	\$105,841,916	\$113,013,313	\$118,078,690	\$123,527,040	\$131,564,642
Other Financing Sources (uses)					
Transfers In	\$12,942,747	\$12,956,086	\$15,780,326	\$16,100,667	\$15,078,405
Transfers out	(7,084,035)	(7,321,350)	(7,301,551)	(4,383,641)	(7,772,502)
Sale of capital assets	13,235	3,855	245,183	674,505	153,669
Total other sources (uses)	\$5,871,947	\$5,638,591	\$8,723,958	\$12,391,531	\$7,459,572
Net Change in Fund Balance	(1,866,562)	1,596,110	7,671,812	3,757,740	17,573,392
Fund Balance-beginning of year	87,316,746	85,450,184	87,046,294	94,718,106	98,475,846
Fund Balance-end of year	\$85,450,184	\$87,046,294	\$94,718,106	\$98,475,846	\$116,049,238

(1) Estimated; subject to change.

(2) Increase in Fiscal Year 2020-21 City administration expenses is due primarily to the recognition of the disbursement of approximately \$6.4 million in ERAP funds to the California Department of Housing and Community Development for administration. See "– Public Health Emergency – COVID-19 – Financial Impact on City."

(3) Decrease in Fiscal Year 2020-21 community services expenses is due primarily to the closure of recreation facilities as a result of Shelter-in-Place orders that were implemented in response to the COVID-19 pandemic.

Source: City of Fontana Comprehensive Annual Financial Report for Fiscal Years 2015-16 through 2019-20.

General Fund Major Revenues By Source

A summary of the primary General Fund revenues received by the City in the last five Fiscal Years, and budgeted General Fund revenues for Fiscal Year 2021-22, is set forth in the following table. Certain general fund taxes currently imposed by the City are affected by Proposition 218. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Proposition 218 – Article XIIC and Article XIID.”

Table 4
CITY OF FONTANA
General Fund Major Tax Revenues by Source
(000's)

Revenue Source	Audited FY 2016-17	Audited FY 2017-18	Audited FY 2018-19	Audited FY 2019-20	% of Total ⁽¹⁾	Estimated FY 2020-21 ⁽²⁾	Adopted Budget 2021-22
Sales Taxes	\$37,844	\$38,664	\$44,561	\$42,959	37.39%	\$51,408	\$47,130
Property Taxes	21,854	23,802	27,251	29,741	25.89	30,753	31,982
Business license taxes	5,714	5,898	6,420	6,280	5.47	6,753	6,070
Transient occupancy taxes	961	1,010	1,085	960	0.84	800	900
Franchise Taxes	6,135	6,715	7,034	7,946	6.92	8,330	7,250
Charges for Services	6,924	11,882	13,697	11,933	10.39	11,413	13,062
Investment earnings	4,288	4,154	5,544	5,138	4.47	4,102	4,154
Other Revenue Sources ⁽³⁾⁽⁴⁾	14,383	16,846	11,432	9,936	8.65	28,119	12,371
Total	\$98,103	\$108,971	\$117,027	\$114,893	100.00%	\$141,678	\$122,919

(1) Reflects percentage of total Fiscal Year 2019-20 General Fund revenues.

(2) Estimated; subject to change.

(3) “Other Revenues Sources” consist of license and permit fees, intergovernmental revenues, fines and forfeitures, and other revenues. See Table 1.

(4) Increase in estimated “Other Revenue Sources” for Fiscal Year 2020-21 of approximately \$18 in million is due primarily to increases in (i) intergovernmental revenues of approximately \$10.5 million, (ii) licenses and permits fees of \$2.1 million, and (iii) other revenues (including code enforcement fines, animal licenses, passport fees and other miscellaneous revenues) of approximately \$5.6 million. See Table 1.

Source: City of Fontana.

Sales and Use Taxes

General. A sales and use tax is imposed on retail sales or consumption of personal property. As shown in Table 4, sales and use tax revenues represented the largest source of tax revenues for the City’s General Fund in each of Fiscal Years 2015-16 through 2019-20, comprising approximately 37% of the City’s total General Fund revenues for Fiscal Year 2019-20. In Fiscal Year 2019-20, the City’s sales tax revenues totaled approximately \$43 million, a decrease of approximately 4% compared to sales tax revenues of approximately \$44.5 in Fiscal Year 2018-19. The City estimates sales tax revenues will total approximately \$51 million in Fiscal Year 2020-21.

Based on the 2021-23 Adopted Budget, the City’s sales tax revenues are projected at \$47.1 million for Fiscal Year 2021-22. The phased re-opening under the Blueprint for a Safer Economy ended with a full reopening of the economy on June 15, 2021. Such budgeted revenues assume a full reopening of the economy. See “PUBLIC HEALTH EMERGENCY – COVID-19.”

The City’s sales tax revenue represents the City’s share of the sales and use tax imposed on taxable transactions occurring within the City’s boundaries. The sales tax is governed by the

Bradley-Burns Uniform Local Sales and Use Tax Law, set forth in California Revenue and Taxation Code Section 7200 et seq. The local sales tax rate in the City is 7.75%, of which the City is allocated 1%. The State collects and administers the tax, and makes distributions on taxes collected within the City as follows:

Table 5
CITY OF FONTANA
Sales Tax Rates

	Rate
State	6.00%
County of San Bernardino	0.25
Special Tax	1.50
Total	7.75%

Source: California Department of Tax and Fee Administration.

The State's actual administrative costs with respect to the portion of sales taxes allocable to the City are deducted before distribution and are determined on a quarterly basis. Sales tax revenue collected by the State is directly deposited monthly to the City's General Fund. For a summary of historical taxable transactions in the City, see "– History of Taxable Transactions."

Certain transactions are exempt from the State sales tax, including sales of the following products:

- food products for home consumption;
- prescription medicine;
- newspapers and periodicals;
- edible livestock and their feed;
- seed and fertilizer used in raising food for human consumption; and
- gas, electricity and water when delivered to consumers through mains, lines and pipes.

This is not an exhaustive list of exempt transactions. A comprehensive list can be found in the CDTFA's March 2018 publication entitled "Sales and Use Taxes: Exemptions and Exclusions," which can be found on the CDTFA's website at <http://www.cdtfa.ca.gov>. *The reference to this Internet website is shown for reference and convenience only; the information contained within the website may not be current and has not been reviewed by the City and is not incorporated in this Official Statement by reference.*

In June 2018, the United States Supreme Court published its decision in *South Dakota v. Wayfair* (the "**Wayfair Decision**"), in which the Supreme Court held that sales to a customer in a particular state alone are sufficient to create a nexus for purposes of determining whether a seller is required to collect sales taxes of the applicable state. Prior to the Wayfair Decision, courts had interpreted the dormant Commerce Clause of the United States Constitution to require that a company have physical nexus in a state in order for the seller to be liable for the collection of that state's sales tax. Physical nexus is defined as having either property or payroll in the state, including a resident employee working from home or inventory stored in that state. The State of California has issued guidance in response to the Wayfair Decision. Under such guidance, beginning April 1, 2019, retailers located outside of the State are required to register with the California Department of Tax and Fee Administration (the "**CDTFA**"), collect the California use tax, and pay the tax to the CDTFA based on the amount of their sales into California, even if they

do not have a physical presence in the state. The new collection requirements apply to retailers if during the preceding or current calendar year certain sales thresholds are met. The new collection requirements apply to taxable sales of tangible personal property to California consumers on and after April 1, 2019, and are not retroactive. Additionally, the State's passage of Assembly Bill 147, signed by the Governor on April 25, 2019, provides the implementation rules for the Wayfair Decision in California. The City is unable to predict the impact that the Wayfair Decision will have on its sales tax revenues.

Sales Tax Collection Procedures. Collection of the sales and use tax is administered by the CDTFA. This process was formerly administered by the State Board of Equalization. The Taxpayer Transparency and Fairness Act of 2017, which took effect July 1, 2017, restructured the State Board of Equalization and separated its functions among three separate entities: the State Board of Equalization, the CDTFA, and the Office of Tax Appeals. The State Board of Equalization will continue to perform the duties assigned to it by the state Constitution, while all other duties will be transferred to the newly established CDTFA and the Office of Tax Appeals. CDTFA will handle most of the taxes and fees previously collected by the State Board of Equalization, including sales and use tax.

Under the Sales and Use Tax Law, all sales and use taxes collected by the CDTFA under a contract with any city, city and county, or county are required to be transmitted by the CDTFA to such city, city and county, or county periodically as promptly as feasible. These transmittals are required to be made at least twice in each calendar quarter.

Under its procedures, the CDTFA projects receipts of the sales and use tax on a quarterly basis and remits an advance of the receipts of the sales and use tax to the City on a monthly basis. The amount of each monthly advance is based upon the CDTFA's quarterly projection. During the last month of each quarter, the CDTFA adjusts the amount remitted to reflect the actual receipts of the sales and use tax for the previous quarter.

According to the CDTFA, it distributes quarterly tax revenues to cities, counties, and special districts using the following method. Using the prior year's quarterly tax allocation as a starting point, the CDTFA first eliminates nonrecurring transactions such as fund transfers, audit payments, and refunds, and then adjusts for growth, to establish the estimated base amount. The CDTFA disburses 90% to each local jurisdiction in three monthly installments (advances) prior to the final computation of the quarter's actual receipts. Ten percent is withheld as a reserve against unexpected occurrences that can affect tax collections (such as earthquakes, fire, or other natural disaster) or distributions of revenue such as unusually large refunds or negative fund transfers. The first and second advances each represent 30% of the 90% distribution, while the third advance represents 40%. One advance payment is made each month, and the quarterly reconciliation payment (clean-up) is distributed in conjunction with the first advance for the subsequent quarter. Statements showing total collections, administrative costs, prior advances, and the current advance are provided with each quarterly clean-up payment.

Effective April 2, 2020, pursuant to Executive Order N-40-20, the State is allowing small business taxpayers (i.e., those with less than \$5 million in taxable annual sales), to participate in a 12-month, interest-free, payment plan for up to \$50,000 of sales and use tax liability. See "BOND OWNERS' RISKS – Public Health Emergencies– Collection of Taxes" for a discussion of Executive Order N-40-20. However, to date, the City has not experienced any significant delays in the receipt of sales tax revenues resulting from this order.

History of Taxable Transactions. A summary of historic taxable sales within the City for calendar years 2016 through 2020 is shown in the following table.

Table 6
CITY OF FONTANA
Taxable Sales by Category
(in thousands)

Business	2016	2017	2018	2019	2020
Motor Vehicle and Parts Dealers	\$861,239	\$924,978	\$893,419	\$907,548	\$952,097
Home Furnishings and Appliance Stores	25,691	25,602	39,858	36,394	56,200
Building Material, Garden Equip & Supplies	186,038	208,056	239,924	242,132	300,895
Food and Beverage Stores	121,793	129,012	134,221	137,556	159,406
Gasoline Stations	273,560	303,795	364,962	362,083	293,760
Clothing and Clothing Accessories Stores	86,412	87,858	108,442	113,897	103,093
General Merchandise Stores	262,012	269,230	342,570	355,548	338,935
Food Services and Drinking Places	280,690	302,987	313,274	324,856	318,157
Other Retail Group	238,217	217,612	213,335	208,584	245,737
Total Retail and Food Services	2,335,650	2,469,130	2,650,006	2,688,599	2,768,279
All Other Outlets	799,141	872,771	946,715	1,024,887	868,856
Total All Outlets	\$3,134,792	\$3,341,901	\$3,596,722	\$3,713,487	\$3,637,135

Source: State Department of Tax and Fee Administration.

Property Taxes

General. As shown in Table 4, property tax revenues represented the second largest source of tax revenues for the City's General Fund in each of Fiscal Years 2015-16 through 2019-20, comprising approximately 26% of the City's total General Fund revenues for Fiscal Year 2019-20. The figures shown in Table 4 for property tax revenues include property tax that the City received in lieu of vehicle license tax (see "– Vehicle License Fees" below). The City's property tax revenues are estimated at approximately \$30.5 million for Fiscal Year 2020-21. Based on the 2021-23 Adopted Budget, the City's property tax revenues are projected at \$32 million for Fiscal Year 2021-22.

Property taxes have been the primary revenue source affected by voter initiatives and legislative actions. With approval of Proposition 13, property tax revenues were first curtailed over 35 years ago when they were reduced by two-thirds and thereafter limited to 2% annual increases or the consumer price index, whichever was less. In addition, if unemployment and reduced economic activity generally is a sustained consequence of the COVID-19 pandemic through multiple fiscal years, a combination of property tax payment delinquencies and property tax assessment appeals could depress property tax revenue growth over time.

Vehicle License Fees. The State imposes a Vehicle License Fee (the "VLF"), which is the portion of the fees paid in lieu of personal property taxes on a vehicle. The VLF is based on vehicle value and declines as the vehicle ages. Prior to the adoption of the State Budget for Fiscal Year 2004-05, the VLF was 2% of the value of a vehicle. Through legislation in prior Fiscal Years, the State enacted VLF reductions under which the State was required to "backfill" local governments for their revenue losses resulting from the lowered fee. The State Budget for Fiscal Year 2004-05 permanently reduced the VLF from 2% to 0.65% of the value of a vehicle and removed the requirement for backfill payments, providing instead that the amount of the backfill

requirement will be met by an increase in the property tax allocation to cities and counties. 100% of the VLF revenues the City receives from the State can be used for City general purposes. See “– State Budget.”

In Fiscal Year 2019-20, the City received VLF revenues and property tax revenues in lieu of VLF totaling approximately \$167,850, representing approximately 0.07% percent of the City’s General Fund revenues for Fiscal Year 2019-20. Based on the 2020-21 Adopted Budget, the City’s VLF revenues are estimated at \$1.0 million, representing approximately 0.9% of the City’s total budgeted General Fund revenues for Fiscal Year 2020-21.

Levy and Collection. Property taxes are levied for each fiscal year on taxable real and personal property as of the preceding January 1. For assessment and collection purposes, property is classified either as “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed public utilities property and real property the taxes on which are a lien sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.”

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to all delinquent payments. Property on the secured roll with respect to which taxes are delinquent become tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is deeded to the State of California and may be sold at public auction.

Property taxes on the unsecured roll are due as of the January 1 lien dates and become delinquent on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1% attaches to them on the first day of each month until paid. The County has four ways of collecting delinquent unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a judgment in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. Beginning in 1978-79, Proposition 13 and its implementing legislation shifted the function of property tax allocation to the counties, except for levies to support prior voted debt, and prescribed how levies on countywide property values are to be shared with local taxing entities within each county.

In response to the COVID-19 pandemic, Governor Newsom issued Executive Order N-61-20 on May 6, 2020. Executive Order N-61-20 waives penalties and interest on taxes on property on the secured or unsecured roll through May 6, 2021 under certain conditions. The waiver of late payment penalties and resulting property tax delinquencies could have an adverse impact on the timely payment of property taxes with respect to property in the City. The City cannot predict whether the COVID-19 pandemic will have an effect on the remittance by the County of the City’s property tax revenues. However, to date, the City has not experienced any significant declines in property tax revenues resulting from the County’s potential waiver of late payment penalties. See “BOND OWNERS’ RISKS – Public Health Emergencies” for a discussion of Executive Order N-61-20.

ERAF Shift Legislation. Certain property taxes have been shifted from local government agencies to schools by the State Legislature for deposit in the Education Revenue Augmentation Fund (“**ERAF**”), a shift that has resulted in diversion of City property taxes since Fiscal Year 1992-93. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Proposition 1A” and “– Proposition 22.” There can be no assurance that the State will not undertake future ERAF shifts.

Assessed Valuation. All property is assessed using full cash value as defined by Article XIII A of the State Constitution. State law provides exemptions from ad valorem property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS.”

Future assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, 2% inflation) will be allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share the growth of “base” revenues from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation in the following year.

Assessed Valuation History. The following table shows the City’s assessed valuation for Fiscal Years 2011-12 through 2021-22.

Table 7
CITY OF FONTANA
Assessed Value of Taxable Property
Fiscal Years 2010-11 through 2021-22

Fiscal Year	Secured Property	Secured Utility	Unsecured Property	Total Taxable Assessed Value	% Change
2011-12	\$12,705,094,184	\$15,464	\$722,983,826	\$13,428,093,474	--
2012-13	12,874,223,021	15,464	722,039,162	13,596,277,647	1.25%
2013-14	13,272,989,616	15,464	715,586,780	13,988,591,860	2.89
2014-15	14,494,680,306	15,464	729,784,787	15,224,480,557	8.83
2015-16	15,230,715,550	--	751,391,092	15,982,106,642	4.98
2016-17	16,070,278,526	--	748,882,833	16,819,161,359	5.24
2017-18	16,955,778,326	--	765,457,641	17,721,235,967	5.36
2018-19	18,862,249,407	--	804,180,873	19,666,430,280	10.98
2019-20	20,266,174,605	--	893,910,309	21,160,085,508	7.59
2020-21	21,549,068,307	--	954,475,194	22,503,543,501	6.30
2021-22	23,070,587,354	--	955,113,724	24,025,701,078	6.76

(1) “Other Property” includes recreational, institutional, vacant, and miscellaneous property.
Source: City of Fontana Comprehensive Annual Financial Report for Fiscal Year 2019-20.

Proposition 13 and Proposition 8 Property Value Adjustments. Proposition 13, passed in 1978, established the base year value concept for property tax assessments. Under Proposition 13, the 1975-76 fiscal year serves as the original base year used in determining the assessment for real property. Thereafter, annual increases to the base year value are limited to the inflation rate, as measured by the California Consumer Price Index, or 2%, whichever is less.

A new base year value, however, is established whenever a property, or portion thereof, has had a change in ownership or has been newly constructed.

Proposition 8, enacted in 1978, allows for a temporary reduction in assessed value when a property suffers a “decline-in-value.” As of the January 1st (lien date) each year, the Assessor must enroll either a property’s Proposition 13 value (adjusted annually for inflation by no more than 2%) or its current market value, whichever is less. When the current market value replaces the higher Proposition 13 value, the lower value is commonly referred to as a “Proposition 8 Value.” “Proposition 8 values” are temporary and, once enrolled, must be reviewed annually by the assessor until the Proposition 13 adjusted base year value is enrolled.

No Teeter Plan. The County has implemented the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (known as the “**Teeter Plan**”), as provided for in Section 4701 *et seq.* of the Revenue and Taxation Code of the State. However, the City has elected not to participate in the County’s Teeter Plan and the City is therefore exposed to the risk of delinquencies in the payment of property taxes. However, the City also receives penalties and interest when property taxes are paid late. Substantial delinquencies in the payment of property taxes in the City could have an adverse effect on the City’s ability to make timely payments on the Series 2021A Bonds.

Property Tax Levies and Collections. The following table shows secured property tax levies and tax collections for Fiscal Years 2015-16 through 2019-20. The amounts shown are for City property taxes only.

Table 8
CITY OF FONTANA
Secured Property Tax Levies and Collections ⁽¹⁾

Fiscal Year	Total Tax Levy	Collected within Fiscal Year of Levy		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2015-16	\$113,506,111	\$111,597,786	98.32%	\$3,831,683	\$115,429,469	101.69%
2016-17	119,654,563	119,603,224	99.96%	4,854,405	124,457,629	104.01%
2017-18	127,184,740	125,598,821	98.75%	9,181,081	134,779,902	105.97%
2018-19	142,694,316	143,337,907	100.45%	9,872,337	153,210,244	107.37%
2019-20	154,229,189	150,597,488	97.65%	8,429,212	159,026,700	103.11%

(1) Includes property taxes collected in the former project areas of the City’s former redevelopment agency.
Source: San Bernardino’s Auditor-Controller’s Office.

Major Property Taxpayers. The top ten property taxpayers, based on assessed values of taxable property in the City, as shown on the 2021-22 tax roll, are set forth in the following table.

Table 9
CITY OF FONTANA
Top Ten Taxpayers Based on Assessed Value
Fiscal Year 2021-22

Property Owner	Taxable Assessed Value	% of Total
1. Duke Realty LP	\$188,679,125	0.79%
2. GLC Fontana LLC	168,685,357	0.70
3. San Gabriel Valley Water Company	144,589,954	0.60
4. Vintage Park East LLC	135,437,610	0.56
5. Target Corporation	129,474,525	0.54
6. Northwestern Mutual Life Insurance Co	110,338,280	0.46
7. Fairfield Potomac Club LLC	109,687,838	0.46
8. 10825 Production Owner LLC	105,633,138	0.44
9. Citrus Avenue LLC	99,271,641	0.41
10. DCT Jurupa Ranch LLC	99,192,276	0.41
TOTAL	\$1,290,989,744	5.37

Source: San Bernardino County Assessor.

Redevelopment Dissolution Act. The State's Community Redevelopment Law (codified in Part 1 of Division 24 of the California Health and Safety Code) authorized the redevelopment agency of any city or county to receive an allocation of tax revenues resulting from increases in assessed values of properties within designated redevelopment project areas (the "incremental value") occurring after the year the project area is formed. In effect, local taxing agencies, such as the City, realize tax revenues only in the assessed value of such property at the time the redevelopment project is created for the duration of such redevelopment project. Although Assembly Bill No. 26 (**"AB X1 26"**), enacted on June 29, 2011 as Chapter 5 of Statutes of 2011, statutorily dissolved redevelopment agencies as of February 1, 2012, the enforceable obligations of dissolved redevelopment agencies, continue to be paid from property taxes derived from such incremental value until the enforceable obligations are paid in full in accordance with Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 (**"AB 1484"**), enacted as Chapter 26, Statutes of 2012, and as such statutory provisions have and may further be amended from time to time (as amended, the **"Dissolution Act"**). Pursuant to the Dissolution Act, the City's former redevelopment agency, the Fontana Redevelopment Agency (the **"Former Agency"**) was dissolved and succeeded by the Successor Agency to the Fontana Redevelopment Agency (the **"Successor Agency"**).

Under the Dissolution Act, taxing entities, such as the City, are to receive distributions (in proportion to such taxing entity's share of property tax revenues in the tax rate area for the applicable fiscal year) of residual amounts of property taxes attributable to incremental value on each June 1 and January 2, commencing June 1, 2012, after payment of (i) tax sharing obligations established previously pursuant to the Community Redevelopment Law, (ii) enforceable obligations of the successor agency to the former redevelopment agency, and (iii) an administrative cost allowance to such successor agency. As enforceable obligations of the former redevelopment agency and its successor agency are paid and retired, residual amounts of

property tax revenues attributable to redevelopment project area incremental value are expected to increase over time.

In 2014, in accordance with the Dissolution Act, the State Controller's Office reviewed all asset transfers made by the Former Agency to the City and any other public agency after January 1, 2011. Based on its review the State Controller's Office concluded that the Former Agency made unallowable transfers to the City totaling approximately \$7.1 million. In response, the State Controller's Office issued an order directing the City to turn over such funds to the Successor Agency. As of the date hereof, no such funds have been turned over by the City to the Successor Agency.

The City believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Dissolution Act. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City. In the event that this issue is resolved unfavorably to the City, the City does not believe it will materially adversely affect its ability to make Base Rental Payments under the Lease Agreement as scheduled.

Charges for Services

The City provides various services which generate revenue for the General Fund. Services provided by the City include building construction and planning fees, engineering encroachment inspections, police fees such as fingerprinting, police reports, and towing, ambulance services and the administration of local assessment districts, as well as recreation fees including class registrations, center rentals, sports, pool, field and court revenues. As shown in Table 4, charges for services represented the third largest source of tax revenues for the City's General Fund in each of Fiscal Years 2015-16 through 2019-20, comprising approximately 11% of the City's total General Fund revenues for Fiscal Year 2019-20. The City's charges for services are estimated to total \$11.4 million for Fiscal Year 2020-21, a decrease of approximately \$520,000 (or less than 1%) when compared to Fiscal Year 2019-20. The decrease for charges for services experienced in Fiscal Year 2020-21 is primarily due to the closure of recreation facilities as a result of Shelter-in-Place orders that were implemented in response to the COVID-19 pandemic. Based on the 2021-23 Adopted Budget, the City's property tax revenues are projected at \$13 million for Fiscal Year 2021-22.

Franchise Taxes

The City levies a franchise fee on its cable television, trash collection, utility franchises, taxi cabs, natural gas piping and ambulance service. As shown in Table 4, franchise taxes represented the fourth largest source of tax revenues for the City's General Fund in each of Fiscal Years 2015-16 through 2019-20, comprising approximately 7% of the City's total General Fund revenues for Fiscal Year 2019-20. The City's franchise taxes are estimated to total \$8.3 million for Fiscal Year 2020-21. Based on the 2021-23 Adopted Budget, the City's franchise taxes are projected to remain at \$7 million for Fiscal Year 2021-22.

Business License Taxes

The City levies a business license tax based principally on gross receipts and on number of employees. The tax was not approved by majority vote of the electorate, although the current tax was approved prior to the passage of Proposition 62 and has not been increased. As shown in Table 4, business license taxes represented the fifth largest source of tax revenues for the City's General Fund in each of Fiscal Years 2015-16 through 2019-20, comprising approximately 5.5% of the City's total General Fund revenues for Fiscal Year 2019-20. The City's business license taxes are estimated to total \$6.7 million for Fiscal Year 2020-21.

Long-Term General Fund Obligations

In addition to the Series 2021A Bonds, the City makes scheduled periodic payments pursuant to certain other outstanding long term agreements. Below are descriptions of the City's outstanding long-term agreements, in connection with which General Fund appropriations are made annually. This excludes bonds payable by the City or its related entities from special revenues, such as special tax bonds and tax allocation bonds. For additional information, see the notes to the City's 2019-20 audited financial statements included in Appendix C.

2010 Bonds. The 2010 Bonds are outstanding in the aggregate principal amount of \$4,995,000. A portion of the proceeds of the Series 2021A Bonds will be used to refinance all of the outstanding 2010 Bonds. See "FINANCING PLAN – Refinancing of 2010 Bonds."

2014 Bonds. In November 2014, the Authority issued its Lease Revenue Refunding Bonds, Series 2014A (the "**2014 Bonds**"), in the original principal amount of \$37,675,000. The 2014 Bonds are outstanding in the aggregate principal amount of \$28,980,000. The 2014 Bonds pay interest semi-annually at rates ranging from 3.875% to 5.000% and finally mature on September 1, 2037.

Overlapping Debt Statement

Set forth below is a direct and overlapping debt report (the "**Debt Report**") prepared by California Municipal Statistics, Inc. and dated August 1, 2021. This Debt Report is included for general information purposes only. The City has not reviewed the Debt Report for completeness or accuracy.

Table 10
CITY OF FONTANA
Direct and Overlapping Debt

2020-21 Assessed Valuation: \$24,025,701,078

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 8/1/21</u>
Metropolitan Water District	0.56%	\$151,321
Chaffey Community College District	15.404	48,598,080
San Bernardino Community College District	3.597	25,114,330
Chaffey Joint Union High School District	7.590	39,127,720
Colton Joint Unified School District	18.461	34,917,627
Fontana Unified School District	77.817	209,529,930
Rialto Unified School District	7.000	6,574,828
Etiwanda School District	29.431	25,633,447
Colton Joint Unified School District Community Facilities District No. 3	100.000	5,205,000
Etiwanda School District Community Facilities District No. 4	100.000	1,640,000
Etiwanda School District Community Facilities District No. 7	74.583	5,668,308
Etiwanda School District Community Facilities District No. 8	35.493	1,483,607
Etiwanda School District Community Facilities District No. 9	30.332	2,130,823
Etiwanda School District Community Facilities District No. 2001-1	100.000	2,665,000
Etiwanda School District Community Facilities District No. 2004-1 I.A. No. 1 & 2	100.000	18,275,000
City of Fontana Community Facilities Districts	100.000	<u>154,275,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$580,990,021
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
San Bernardino County General Fund Obligations	8.990%	\$19,247,141
San Bernardino County Pension Obligation Bonds	8.990	10,773,167
San Bernardino County Flood Control District General Fund Obligations	8.990	4,025,722
Chaffey Community College District General Fund Obligations	15.404	4,457,147
Fontana Unified School District Certificates of Participation	77.817	17,205,339
Rialto Unified School District Certificates of Participation	7.000	760,800
Cucamonga School District Certificates of Participation	5.237	220,321
City of Fontana General Fund Obligations	100.000	<u>36,185,000</u> ⁽¹⁾
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$92,874,637
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>	3.789 - 100.00%	\$200,491,762
COMBINED TOTAL DEBT		\$874,356,420 ⁽²⁾

Ratios to 2021-22 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.42%
Total Direct Debt (\$36,185,000)	0.15%
Combined Total Debt	3.64%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$16,841,940,620):

Total Overlapping Tax Increment Debt	1.19%
--------------------------------------	-------

(1) Excludes the Series 2021A Bonds.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

Employee Retirement System

This section contains certain information relating to the California Public Employees' Retirement System ("**CalPERS**"). The information is primarily derived from information produced by CalPERS, its independent accountants and actuaries. The City has not independently verified the information provided by CalPERS and makes no representations and expresses no opinion as to the accuracy of the information provided by CalPERS.

The Comprehensive Annual financial reports of CalPERS are available on its Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information concerning benefits and other matters. Such information is not incorporated by reference in this Official Statement. Neither the City nor the Underwriter can guarantee the accuracy of such information. Actuarial assessments are "forward-looking" statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or may be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

Description of Plans. All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) (the "**Safety Plan**") and Miscellaneous (all other) Plans (the "**Miscellaneous Plan**" and together with the Safety Plan, the "**Plans**"), an agent multiple-employer defined benefit pension plan administered by CalPERS.

Benefits Provided. CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. The provisions and benefits of each Plan that were in effect at June 30, 2020, are summarized as follows:

Miscellaneous Plan

Hire Date	Prior to July 1, 2011	On or after July 1, 2011
Benefit formula	2.5% @ 55	2% @ 55
Final Average Compensation Period	Highest 1-year salary	Final 3-year average
Benefit vesting schedule	5 yrs credited service	5 yrs credited service
Benefit payments	Monthly	Monthly
Retirement age	55 and above	55 and above
Monthly benefit basis	Benefit factor, years of	Benefit factor, years of
Required employee contribution rates	8%	7%
To be paid by employee	3%	8%
To be paid by the city	5%	--
Required employer contribution rates	9.032%	9.032%

Source: City of Fontana Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020.

Safety Plan

	Tier I	Tier II	Tier III
Hire Date	Prior to July 1, 2011	On or after July 1, 2011	After January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Final Average Compensation Period	Highest 1-year salary	Final 3-year average	Final 3-year average
Benefit vesting schedule	5 yrs credited service	5 yrs credited service	5 yrs credited service
Benefit payments	Monthly	Monthly	Monthly
Retirement age	50 and above	50 and above	50 and above
Monthly benefit basis	Benefit factor, years of	Benefit factor, years of	Benefit factor, years of
Required employee contribution rates	9%	9%	--
To be paid by employee	--	9%	50% of Normal Costs
To be paid by the city	9%	--	--
Required employer contribution rates	19.221%	19.221%	19.221%

Source: City of Fontana Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020.

Employees Covered. As of the June 30, 2019 measurement date, the following employees were covered by the benefit terms of each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	452	171
Inactive employees entitled to but not yet receiving benefits	877	66
Active employees	560	185
Total	1,889	422

Source: City of Fontana Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020.

California Public Employees' Pension Reform Act of 2013. Employees hired prior to January 1, 2013 and have remained under continuous employment with a CalPERS agency are considered "Classic" employees. California Public Employees' Pension Reform Act of 2013 ("PEPRA"), which was signed by the State Governor on September 12, 2012, established a new pension benefit tier for employees who were hired on and after January 1, 2013, who were not previously CalPERS members or have left employment with a CalPERS agency for more than 6 months.

PEPRA adjusted the benefit formulas, required employee contribution, calculation of benefits and maximum pay, as well as other benefits. PEPRA employees receive the following benefit formulas: (i) 2.0% at age 62 formula for Miscellaneous employees; and (ii) 2.7% at age 57 for Safety employees. Employees are required to pay at least 50% of the total (annual) normal cost rate, and are required to make the full amount of required employee contributions themselves under PEPRA. Retirement benefits for such employees are calculated on the highest average annual compensation over a consecutive 36-month period. Accordingly, retirement benefits for PEPRA miscellaneous employees are calculated as 2% of the average final 36 months compensation and retirement benefits for PEPRA safety employees are calculated as 2.7% of the average final 36 months of compensation. Retirement benefits for Classic miscellaneous employees are calculated as 2% of the average final 12 months of compensation and retirement benefits for Classic safety employees are calculated as 3% of the average final 12 months compensation. Retroactive benefits increases are also prohibited, as are contribution holidays, and purchases of additional non-qualified service credit. PEPRA also capped pensionable income as noted below. Maximum amounts are set annually, subject to adjustment in accord with the Consumer Price Index.

**CalPERS Pension Compensation Limits for
Calendar Year 2021 (Classic and PEPRA members)**

	<i>Classic</i>	<i>PEPRA</i>
Maximum Pensionable Income	\$290,000	\$153,671 ⁽¹⁾

(1) The Maximum Pensionable income for PEPRA members employed at agencies that participate in Social Security is \$128,059.
Source: CalPERS Payroll Circular Letter dated January 6, 2021.

Additional employee contributions, limits on pensionable compensation and higher retirement ages for new members as a result of the passage of PEPRA are expected to reduce the City's unfunded pension liability and potentially reduce City contribution levels in the long term.

Required Contributions. Section 20814(c) of the Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. The City contribution rates may change if plan contracts are amended. Beginning in Fiscal Year 2017-18, CalPERS collects employer contributions for each plan as a percentage of payroll for the normal cost portion and as a dollar amount for contributions toward the UAL. The dollar amounts are billed on an annual basis. The actuarially determined normal cost rates and UAL contribution amounts for each Plan for Fiscal Years 2020-21, 2021-22 and 2022-23 are as follows:

	<u>Fiscal Year 2020-21</u>		<u>Fiscal Year 2021-22</u>		<u>Fiscal Year 2022-23</u>	
	Employer Normal Cost Rate	Employer Payment of UAL	Employer Normal Cost Rate	Employer Payment of UAL	Employer Normal Cost Rate	Employer Payment of UAL
Miscellaneous Plan	9.377%	\$4,533,202	9.32%	\$5,259,122	9.21%	\$5,888,855
Safety	20.212	7,560,381	19.78	9,161,493	19.40	10,112,558

Source: CalPERS Actuarial Reports dated July 2019, July 2020 and July 2021.

The City's estimated total contribution amounts (including the required normal cost and UAL contributions) and as a percentage of estimated covered payroll for the Plans in Fiscal Years 2020-21, 2021-22, and 2022-23 are as follows:

	<u>Fiscal Year 2020-21</u>		<u>Fiscal Year 2021-22</u>		<u>Fiscal Year 2022-23</u>	
	Total Employer Contribution	% of Covered Payroll	Total Employer Contribution	% of Covered Payroll	Total Employer Contribution	% of Covered Payroll
Miscellaneous Plan	\$7,625,280	23.124%	\$8,379,489	25.03%	\$8,911,893	27.15%
Safety	12,327,158	52.269	13,997,699	57.25	14,894,025	60.43

Source: CalPERS Actuarial Reports dated, July 2019, July 2020 and July 2021.

Projected Employer Contributions. The following tables show the City's actuarially-determined required employer contribution for Fiscal Year 2022-23 and projected employer contributions (before cost sharing) for Fiscal Years 2023-24 through 2027-28 for each Plan by

normal cost (expressed as a percentage of total active payroll) and amortization of the unfunded accrued liability (expressed as a dollar amount). The projections assume a 7.00% annual rate of return for Fiscal Year 2020-21 but do not include any reductions in the normal cost that will occur over time as new employees are hired into PEPRA or other lower cost benefit tiers.

Miscellaneous Plan

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2020-21)				
Fiscal Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Normal Cost %	9.21%	9.1%	8.9%	8.8%	8.6%	8.5%
UAL Payment	\$5,888,855	\$6,385,000	\$6,891,000	\$6,651,000	\$6,529,000	\$6,693,000

Safety Plan

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2020-21)				
Fiscal Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Normal Cost %	19.41%	19.0%	18.7%	18.3%	18.0%	17.6%
UAL Payment	\$10,112,558	\$10,860,000	\$10,371,000	\$10,873,000	\$11,282,000	\$11,553,000

Source: CalPERS Actuarial Reports dated July 2021.

As previously described, the City maintains the PERS Reserve to smooth out fluctuations in contribution rates to the Plans. The City estimates that the balance in the PERS Reserve was approximately \$5.9 million as of June 30, 2021. See "CITY FINANCIAL INFORMATION – Reserve Policy" for additional information regarding the PERS Reserve.

Funded Status. The following table sets forth the schedule of funding for the Plans for the actuarial valuations as of June 30 of the years 2017 through 2020.

Valuation Date Ended June 30	Accrued Liability	Market Value of Assets (MVA)	Unfunded Accrued Liability	Funded Ratio	Annual Covered Payroll
Miscellaneous Plan					
2017	\$191,680,403	\$141,378,443	\$50,301,960	73.8%	\$28,422,636
2018	213,651,602	152,866,595	60,785,007	71.5	30,397,711
2019	226,342,282	162,956,072	63,386,210	72.0	30,863,432
2020	237,405,409	170,257,751	67,147,658	71.7	30,257,878
Safety Plan					
2017	\$245,301,981	\$153,671,261	\$91,630,720	62.6%	\$21,199,743
2018	272,946,997	167,117,927	105,829,070	61.2	21,740,521
2019	293,427,471	178,353,600	115,073,871	60.8	22,538,914
2020	308,930,382	187,000,928	121,929,454	60.5	22,720,292

(1) Based on the market value of assets.

Source: CalPERS Actuarial Reports Dated July 2021.

There is a two-year lag between the valuation date and the start of the contribution Fiscal Year. The UAL was determined in the June 30, 2020 actuarial valuation, but the corresponding UAL payments commence two years after the valuation date in Fiscal Year 2022-23. This two-year lag is necessary due to the amount of time needed to extract and test the membership and

financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the Fiscal Year.

Net Pension Liability. The City's net pension liability for the Miscellaneous Plan and the Safety Plan totaled approximately \$58 million and \$103 million, respectively, measured as of June 30, 2019, using an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. For the year ended June 30, 2020, the City recognized pension expense of \$11,682,701 for the Miscellaneous Plan and \$14,882,930 for the Safety Plan.

Sensitivity to Changes in Discount Rate. The discount rate used to measure the total pension liability at June 30, 2019 with respect to the Plans was 7.15%. The following tables present the City's proportionate share of the net pension liability for the Miscellaneous Plan and the Safety Plan, calculated using the discount rate for the Plans, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 100 basis points higher or 100 basis points lower than the current rate:

Miscellaneous Plan

	<u>1% Decrease (6.15%)</u>	<u>Discount Rate (7.15%)</u>	<u>1% Increase (8.15%)</u>
Net Pension Liability	\$90,598,614	\$58,412,371	\$32,095,569

Source: City of Fontana Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020.

Safety Plan

	<u>1% Decrease (6.15%)</u>	<u>Discount Rate (7.15%)</u>	<u>1% Increase 8.15%)</u>
Net Pension Liability	\$144,671,169	\$102,988,735	\$69,069,747

Source: City of Fontana Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020.

Potential Impacts on Future Required Contributions. The CalPERS Board of Administration has adjusted and may in the future further adjust certain assumptions used in the CalPERS actuarial valuations, which adjustments may increase the City's required contributions to CalPERS in future years. Accordingly, the City cannot provide any assurances that the City's required contributions to CalPERS in future years will not significantly increase (or otherwise vary) from any past or current projected levels of contributions.

Change in Assumptions/Discount Rate. On December 21, 2016, the CalPERS Board of Administration voted to lower its discount rate from the current rate of 7.50% to 7.00% over a three-year period. The change was reflected in the June 30, 2016 actuarial report, which lowered the discount rate from 7.50% to 7.375%; in the June 30, 2017 actuarial report, which lowered the discount rate from 7.375% to 7.25%; and in the June 30, 2018 actuarial report, which lowered the discount rate from 7.25% to 7.00%. While CalPERS has not officially announced plans to reduce the discount rate further at this time, a reduction to 6.8% is anticipated in Fall 2021.

Investment Performance. CalPERS earnings reports for Fiscal Years 2010 through 2020 report investment gains of approximately 13.3%, 21.7%, 0.1%, 13.2%, 18.4%, 2.4%, 0.6%, 11.2%, 8.6%, 6.7% and 4.7%, respectively. The CalPERS Fiscal Year 2019-20 investment gain of 4.7% is not included as an amortization base in the most recent CalPERS valuation report and is not reflected in the numbers included herein. Future earnings performance may increase or decrease future contribution rates for plan participants, including the City. CalPERS has preliminarily reported a 21.3% investment return for Fiscal Year 2020-21.

The CalPERS website contains the most recent actuarial valuation reports for the City's Miscellaneous Plan and Safety Plan and other information that concerns benefits and other matters. The Comprehensive Annual financial reports of CalPERS are also available on CalPERS' Internet website at www.calpers.ca.gov. The textual reference to such Internet website is provided for convenience only. None of the information on such Internet website is incorporated by reference herein. Neither the City nor the Underwriter guarantee the accuracy of such information.

See "APPENDIX C – COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2020 – Note (12)" for additional information regarding the Plans, including a description of the actuarial methods and assumptions used to measure the City's net pension liability as of the June 30, 2019 measurement date.

Other Post-Employment Benefits

Plan Description. The City provides post-retirement health care benefits (the "OPEB Plan") in accordance with City Council approval to all employees who retire from the City on or after reaching age 50 or over with at least five years of CalPERS-credited service. The post-retirement health care benefits are provided to eligible retirees by the City, as a single-employer plan. Additional requirements are set forth in the individual contracts for executive positions or in the Memorandum of Understanding ("MOUs") for the five bargaining units operating within the City. The amount the City provides on the behalf of retirees is dictated in the MOUs. As of June 30, 2019, there were 242 inactive employees or beneficiaries currently receiving benefits and 557 active employees.

Contributions. The required contribution is based on projected pay-as-you-go financing requirements. For the fiscal year ending June 30, 2020, the City's cash contributions were \$2,370,000 in the form of current premiums, which is funded through the General Fund, and the estimated implied subsidy was \$755,988 resulting in total payments of \$3,125,988.

Total OPEB Liability. As of the June 30, 2019 measurement date, the City's total OPEB liability (and its net OPEB liability) was approximately \$66.3 million.

The following presents the OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

	Discount Rate – 1% 2.51%	Current Discount Rate 3.51%	Discount Rate + 1% 4.51%
Net OPEB Liability	\$76,262,603	\$66,321,967	\$58,299,697

Source: City of Fontana Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual requires contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$1,355,578. As of fiscal year ended June 30, 2020, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred inflows of Resources
OPEB contributions subsequent to measurement date	\$2,912,729	\$ --
Total	\$2,912,729	\$ --

Source: City of Fontana Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020.

The \$2,912,729 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2019 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ended June 30, 2020.

See “APPENDIX C – COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2020 – Note (11)” for additional information regarding the Healthcare Plan, including a description of the actuarial methods and assumptions used to measure the City’s net OPEB liability as of the June 30, 2019 measurement date.

Employee Relations

The City had 605 authorized positions at the beginning of Fiscal Year 2021-22. The City’s employees are represented by the following labor groups. In the previous five years, there have not been any work stoppages by City employees.

Table 11
CITY OF FONTANA
City Employee Labor Groups

<u>Labor Group</u>	<u>Number of Budgeted Employees</u>	<u>Contract Expiration Date</u>
Management Confidential	101	06/30/21 ⁽¹⁾
Police Management	33	06/30/23
Police Officers	173	06/30/22
City Hall	132	06/30/21 ⁽¹⁾
City Yard	67	06/30/20 ⁽¹⁾
Police Benefit	80	06/30/21

(1) The City and the respective labor groups are currently engaged in discussions regarding new collective bargaining agreements.

Source: City of Fontana.

Risk Management

The City established risk management programs for workers’ compensation in 1978-79 and for general liability in 1983-84, which are accounted for in the City’s General Fund. The programs are supported by contributions from the other principal City funds and intra-fund transfers.

Effective with an excess coverage insurance policy on July 1, 1992, the workers' compensation program provides for self-insurance up to a maximum of \$1,000,000 per incident. The claims which exceed the limit are insured up to a maximum per incident of \$45,000,000. Under the City's excess insurance policy for general liability, all claims incurred after October 1, 1992, are self-insured up to a maximum of \$1,000,000 per incident. The claims which exceed the limit are insured up to a maximum per incident of \$25,000,000. The City is self-insured for general liability claims incurred prior to October 1, 1992. There have been no significant changes in insurance coverage in the last three years. The amount of settlements has not exceeded the amount of insurance coverage for each of the past three fiscal years.

Investment Policies and Procedures

The City's current investment policy (the "**Investment Policy**"), rendered annually to the City Council by the City Treasurer pursuant to Section 53646 of the Government Code of the State was approved by the City Council on May 25, 2021. The Investment Policy provides guidelines for the prudent investment of the unexpended cash in the City's treasury and outline policies for maximizing the efficiency of the City's cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled cash. The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain the highest yield obtainable as long as investments meet the criteria established for safety and liquidity.

Cash management and investment transactions are the responsibility of the Management Services Director or designee. At least quarterly, the Investment Review Committee, consisting of the City Treasurer, Management Services Director/Deputy City Treasurer, Budget Manager and Accounting Manager, shall meet to discuss the status of current investments, strategies for future investments, and other matters deemed relevant, and shall report to the City Council as necessary. At least twice a year, these meetings shall include a representative at the partner or manager level from the City's external auditing firm.

Investment of City funds is governed by the California Government Code Sections 16429.1 and 53601. Investments may not have a term or maturity at the time of investment of longer than that authorized by Section 53601 or five years (measured by settlement date) unless the City Council has granted express authority, no less than 3 months prior to the investment, for a specific investment to exceed such limit.

It should be noted that while the Government Code specifies the maximum percentage of the portfolio which may be held in each type of investment at any one time, fluctuations in the portfolio balance will prevent strict adherence to such restrictions. Therefore, percentage limitations in the Investment Policy apply to investments at the time of purchase.

The par value, market value, costs basis, and percent of total investments by market value for each category of the City's investments, as June 30, 2021, are set forth in the following table:

Table 11
CITY OF FONTANA
Investment Portfolio as of June 30, 2021

Investment Type	Cost Basis	Market Value	% of Total Market Value
Sweep Account MM	\$ 10,260,788.62	\$ 10,260,788.62	2.29%
U.S. Treasuries	202,672,218.15	202,628,856.24	45.16%
Agency Securities	56,955,300.00	56,607,020.00	12.62%
Corporates	24,291,056.95	25,275,074.58	5.63%
Asset Backed Securities	1,129,778.79	1,129,778.79	0.25%
CDs and BAs	4,349,910.00	4,348,593.00	0.97%
Local Agency Investment Fund	148,442,629.49	148,454,945.77	33.09%
Total	\$448,101,682.00	\$448,705,057.00	100.00%

Source: City of Fontana.

State Budget

Although the City does not receive a significant portion of its annual revenues directly from the State, the State's financial condition and budget policies affect communities and local public agencies throughout the State. At various times, the State has experienced significant financial and budgetary stress.

In recent years, State budgets have been balanced. At the time the State's Fiscal Year 2020-21 budget was adopted, the State projected a \$54.3 billion deficit, primarily due to the COVID-19 pandemic. Due primarily to higher than expected personal income tax receipts, the Legislative Analyst's Office has indicated that the State may receive approximately \$26 billion more revenue than projected for Fiscal Year 2020-21. However, the ultimate impact of the COVID-19 pandemic on the State's finances is uncertain and State budget deficits may continue in future years. To the extent that the State budget process results in reduced revenues to the City in the future, the City could be required to make adjustments to its budget.

THE AUTHORITY

The Authority is a joint exercise of powers authority, duly organized and validly existing under and pursuant to a Joint Exercise of Powers Agreement, dated September 1, 2014 (the "**Joint Powers Agreement**"), by and between the City and the Fire Protection District (collectively, the "**Members**"). The Joint Powers Agreement was entered into pursuant to the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "**Joint Exercise of Power Act**"). The governing body of the Authority consists of the same individuals who comprise the members of the City Council.

The Authority was created for the purpose of assisting the Members with the financing of capital projects. The Authority is authorized to provide financing or refinancing of Public Capital Improvements (within the meaning of the Joint Exercise of Powers Act) for the City. Pursuant to the Joint Exercise of Powers Act, the Authority has the power to issue bonds to pay the cost of any public capital improvement.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

The constitutional and statutory provisions discussed in this section have the potential to affect the ability of the City to levy taxes and spend tax proceeds for operating and other purposes.

Limitations on Revenues

Article XIII A of the California Constitution. Article XIII A of the State Constitution, adopted and known as Proposition 13, was approved by the voters in June 1978 and has been amended on occasions, including most recently on November 7, 2000 to reduce the voting percentage required for the passage of school bonds. Section 1(a) of Article XIII A limits the maximum ad valorem tax on real property to one percent of “full cash value,” and provides that such tax shall be collected by the counties and apportioned according to State statutes. Section 1(b) of Article XIII A provides that the one-percent limitation does not apply to ad valorem taxes levied to pay interest and redemption charges on (i) indebtedness approved by the voters prior to July 1, 1978, or (ii) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition, or (iii) bonded indebtedness incurred by a school district or community college district or county office of education for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters voting on the proposition.

Section 2 of Article XIII A defines “full cash value” to mean the county assessor’s valuation of real property as shown on the 1975-76 fiscal year tax bill, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed two percent per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation implementing Article XIII A provides that, notwithstanding any other law, local agencies may not levy any ad valorem property tax except the 1% base tax levied by each County and taxes to pay debt service on indebtedness approved by the voters as described above. Such legislation further provides that each county will levy the maximum tax permitted by Article XIII A, which is \$1.00 per \$100 of assessed market value.

Since its adoption, Article XIII A has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be reassessed when it is purchased, newly constructed or undergoes a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property. These amendments have resulted in marginal reductions in the property tax revenues of the City.

Both the California State Supreme Court and the United States Supreme Court have upheld the validity of Article XIII A.

Articles XIII C and XIII D of the California Constitution.

General. On November 5, 1996, the voters of the State approved Proposition 218, known as the “Right to Vote on Taxes Act.” Proposition 218 adds Articles XIII C and XIII D to the California Constitution and contains a number of interrelated provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the “Supermajority Vote to Pass New Taxes and Fees Act.” Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as “fees.” Proposition 26 amended Articles XIII A and XIII C of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. The amendments to Article XIII C define “taxes” that are subject to voter approval as “any levy, charge, or exaction of any kind imposed by a local government,” with certain exceptions.

Taxes. Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the City (“**general taxes**”) require a majority vote; taxes for specific purposes (“**special taxes**”), even if deposited into the City’s General Fund, require a two-thirds vote. The voter approval requirements of Article XIII C reduce the flexibility of the City to raise revenues for the General Fund, and no assurance can be given that the City will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Property-Related Fees, Charges and Assessments. Article XIII D also adds several provisions making it generally more difficult for local agencies to levy and maintain property-related fees, charges, and assessments for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that assessments must confer a “special benefit,” as defined in Article XIII D, over and above any general benefits conferred, (iii) a majority protest procedure for assessments which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party, and (iv) a prohibition against fees and charges which are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

Reduction or Repeal of Taxes, Fees and Charges. Article XIII C also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the City’s General Fund. If such repeal or reduction occurs, the City’s ability to pay debt service on the Bonds could be adversely affected.

Burden of Proof. Article XIII C provides that local government “bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.”

Similarly, Article XIID provides that in “any legal action contesting the validity of a fee or charge, the burden shall be on the agency to demonstrate compliance” with Article XIID.

Impact on City’s General Fund. The approval requirements of Articles XIIC and XIID reduce the flexibility of the City to raise revenues for the General Fund, and no assurance can be given that the City will be able to impose, extend or increase the taxes, fees, charges or taxes in the future that it may need to meet increased expenditure needs.

The City does not believe that any material source of General Fund revenue is subject to challenge under Proposition 218 or Proposition 26.

Judicial Interpretation. The interpretation and application of Articles XIIC and XIID will ultimately be determined by the courts with respect to a number of the matters discussed below, and it is not possible at this time to predict with certainty the outcome of such determination.

Expenditures and Appropriations. In addition to the limits Article XIII A imposes on property taxes that may be collected by local governments, certain other revenues of the State and local governments are subject to an annual “appropriations limit” or “Gann Limit” imposed by Article XIIB of the State Constitution, which effectively limits the amount of such revenues that government entities are permitted to spend. Article XIIB, approved by the voters in June 1979, was modified substantially by Proposition 111 in 1990. The appropriations limit of each government entity applies to “proceeds of taxes,” which consist of tax revenues, state subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed “the cost reasonably borne by such entity in providing the regulation, product or service.” “Proceeds of taxes” exclude tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds which are not “proceeds of taxes,” such as reasonable user charges or fees, and certain other non-tax funds.

Article XIIB also does not limit appropriation of local revenues to pay debt service on bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990, levels. The appropriations limit may also be exceeded in cases of emergency; however, the appropriations limit for the three years following such emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The State and each local government entity has its own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services. Each school district is required to establish an appropriations limit each year. In the event that a school district’s revenues exceed its spending limit, the district may increase its appropriations limit to equal its spending by taking appropriations limit from the State.

Proposition 111 requires that each agency’s actual appropriations be tested against its limit every two years. If the aggregate “proceeds of taxes” for the preceding two-year period exceed the aggregate limit, the excess must be returned to the agency’s taxpayers through tax rate or fee reductions over the following two years.

Statutory Revenue Limitations - Proposition 62

Proposition 62 was adopted by the voters at the November 4, 1986, general election and (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities such as the City be approved by a two-thirds vote of the governmental entity's legislative body and by a majority vote of the voters of the governmental entity voting in an election on the tax, (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters of the governmental entity voting in an election on the tax, (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed, (d) prohibits the imposition of ad valorem taxes on real property by local governmental entities except as permitted by Article XIII A, (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities, and (f) requires that any tax imposed by a local governmental entity on or after August 1, 1985, be ratified by a majority vote of the voters voting in an election on the tax within two years of the adoption of the initiative or be terminated by November 15, 1988.

Following its adoption by the voters, various provisions of Proposition 62 were declared unconstitutional at the appellate court level. On September 28, 1995, however, the California Supreme Court, in *Santa Clara City Local Transportation Authority v. Guardino*, upheld the constitutionality of the portion of Proposition 62 requiring a two-thirds vote in order for a local government or district to impose a special tax and, by implication, upheld a parallel provision requiring a majority vote in order for a local government or district to impose any general tax. The *Guardino* decision did not address whether it should be applied retroactively. In response to *Guardino*, the California Legislature adopted Assembly Bill 1362, which provided that *Guardino* should apply only prospectively to any tax that was imposed or increased by an ordinance or resolution adopted after December 14, 1995. Assembly Bill 1362 was vetoed by the Governor; hence the application of the *Guardino* decision on a retroactive basis remains unclear.

Proposition 62, as an initiative statute, does not have the same level of authority as a constitutional initiative. It is analogous to legislation adopted by the State Legislature, except that it may be amended only by a vote of the State's electorate. However, Proposition 218, as a constitutional amendment, is applicable to charter cities and supersedes many of the provisions of Proposition 62.

Proposition 1A

Proposition 1A, proposed by the Legislature in connection with the State's fiscal year 2004-2005 Budget, approved by the voters in November 2004 and generally effective in fiscal year 2006-2007, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. Proposition 1A provides, however, that beginning in fiscal year 2008-2009, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax

revenues among local governments within a county. Proposition 1A also provides that if the State reduces the motor vehicle license fee rate currently in effect, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State, beginning July 1, 2005, to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

Proposition 1A may result in increased and more stable City revenues. The magnitude of such increase and stability is unknown and would depend on future actions by the State. However, Proposition 1A could also result in decreased resources being available for State programs. This reduction, in turn, could affect actions taken by the State to resolve budget difficulties. Such actions could include increasing State taxes, decreasing spending on other State programs or other action, some of which could be adverse to the City.

Proposition 22

Proposition 22, entitled “The Local Taxpayer, Public Safety and Transportation Protection Act,” was approved by the voters of the State in November 2010. Proposition 22 amended the state Constitution to eliminate or reduce the State’s authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for State-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State’s control over local property taxes.

Unitary Property

AB 454 (Chapter 921, Statutes of 1986) provides that revenues derived from most utility property assessed by the State Board of Equalization (“**Unitary Property**”), commencing with fiscal year 1988-89, are allocated as follows: (i) each jurisdiction will receive up to 102% of its prior year State-assessed revenue; and (ii) if county-wide revenues generated from Unitary Property are less than the previous year’s revenues or greater than 102% of the previous year’s revenues, each jurisdiction will share the burden of the shortfall or benefit of the excess revenues by a specified formula. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 constitute neither an elimination of the assessment of any State-assessed properties nor a revision of the methods of assessing utilities by the State Board of Equalization. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

Possible Future Initiatives

Articles XIII A, XIII B, XIII C and XIII D and Propositions 62, 111, 218 and 1A were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time other initiative measures could be adopted, further affecting revenues of the City or the City’s ability to expend revenues. There is no assurance that the California electorate or Legislature will not at some future time approve additional limitations.

BOND OWNERS' RISKS

The following describes certain special considerations and risk factors affecting the payment of and security for the Series 2021A Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of any Series 2021A Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors in the Series 2021A Bonds are advised to consider the following special factors along with all other information in this Official Statement in evaluating the Series 2021A Bonds. There can be no assurance that other considerations will not materialize in the future.

Limited Obligations

The Series 2021A Bonds are limited obligations of the Authority payable solely from and secured solely by the Base Rental Payments pledged therefor under the Indenture, together with amounts on deposit from time to time in certain funds and accounts held by the Trustee. If for any of the reasons described below, or for any other reason, the Authority does not receive sufficient Base Rental Payments to pay debt service on the Series 2021A Bonds, the Authority will not be obligated to utilize any other of its funds, other than amounts on deposit in certain funds and accounts established under the Indenture, to pay debt service on the Series 2021A Bonds.

The Base Rental Payments are not secured by any pledge of or lien on taxes or other revenue of the City, but are payable from all funds lawfully available to the City. The City has the capacity to enter into other obligations that may constitute additional obligations against its revenues, including any Additional Bonds. In the event the City's revenue sources are less than its total obligations, the City could choose to fund other obligations before making Base Rental Payments; in that case, the failure to pay Base Rental Payments in full would constitute a default under the Lease Agreement (see "– Additional Obligations of the City" below). The same result could occur if, because of State constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues; in that case, the failure to pay Base Rental Payments in full would constitute a default under the Lease Agreement. The City must adopt a balanced Budget each year, and has covenanted in the Lease Agreement to budget for, appropriate and make the Base Rental Payments in each year that it has possession and use of the Property.

Abatement of Lease

Under California law, the obligation of the City to make Base Rental Payments is contingent upon the availability of the Property for use and occupancy by the City. The Base Rental Payments will be abated proportionately during any period in which by reason of material damage or destruction, there is substantial interference with the use and occupancy of any portion of the Property by the City, and such abatement will continue until substantial completion of the work of repair or replacement of the portion of the Property damaged or destroyed; provided that, in determining the amount of abatement. Any abatement of Base Rental Payments could affect the Authority's ability to pay debt service on the Series 2021A Bonds. However, there will be no abatement of Base Rental Payments under the Lease Agreement to the extent that the proceeds of property insurance or rental interruption insurance are available to pay Base Rental Payments that would otherwise be abated.

In the event Base Rental Payments are abated, no assurances can be given that the proceeds of property insurance (which is not expected to be available to cover earthquake damage) or rental interruption insurance will be sufficient to pay the debt service on the Series

2021A Bonds during the period of such abatement. See “SECURITY FOR THE SERIES 2021A BONDS – Abatement” and “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS.”

Notwithstanding the provisions of the Lease Agreement specifying the extent of abatement in the event of the City’s failure to have full use and occupancy of the Property, such provisions may be superseded by operation of law, and, in such event, the resulting Base Rental Payments of the City may not be sufficient to pay all of the remaining principal and interest with respect to the Series 2021A Bonds.

Limitation on Remedies

The enforcement of any remedies provided for in the Lease Agreement and in the Indenture could prove to be both expensive and time-consuming. Although the Lease Agreement provides that upon the occurrence and during the continuance of an Event of Default the Trustee may take possession of and re-let the Property, no assurance can be given that the amounts received from such reletting would be sufficient to pay the principal of and interest with respect to the Series 2021A Bonds when due. See “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS.”

In addition to the limitations on remedies contained in the Lease Agreement and the Indenture, the rights and remedies provided in those documents may be limited by and are subject to provisions of federal bankruptcy laws, as now or hereafter enacted, and to other laws or equitable principles that may affect creditors’ rights generally. The various legal opinions to be delivered concurrently with the issuance of the Series 2021A Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by State and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws of general application affecting the enforcement of creditors’ rights, including equitable principles. See “– Bankruptcy Risks” below.

Limitation on Trustee’s Obligations under the Indentures

The Trustee has no obligation to advance its own funds to pursue any remedies. As a consequence, the Trustee’s willingness and ability to pursue any of the remedies provided in the Indenture, Lease Agreement or Assignment Agreement may be dependent upon the availability of funds from an interested party. Additionally, the Trustee is not required to acquire possession of the Property if doing so subjects it to potential liability. There can be no assurance that the Trustee will be willing and able to perform its duties under the Indenture.

Release of Property; Additional Bonds

The Authority and the City may amend the Lease Agreement to substitute or release a portion of the Property upon compliance with all of the conditions set forth in the Lease Agreement. After a substitution or release, the portion of the Property for which the substitution or release has been effected will be released from the leasehold encumbrance of the Lease Agreement. Moreover, the City may issue Additional Bonds secured by Base Rental Payments which are increased above current levels. See the captions “THE PROPERTY – Substitution or Release of the Property” and “SECURITY FOR THE SERIES 2021A BONDS – Additional Bonds.”

Although the Lease Agreement requires, among other things, that the Property, as constituted after such substitution or release, have an annual fair rental value at least equal to the

maximum Base Rental Payments for the Property coming due in the then-current Fiscal Year or in any subsequent Fiscal Year, it does not require that the Property have an annual fair rental value equal to the annual fair rental value of the Property prior to the substitution release of any portion thereof. Thus, a portion of the Property could be replaced with less valuable real property, or could be released altogether. Such a substitution or release could have an adverse impact on the security for the Series 2021A Bonds, particularly if an event requiring abatement of the Base Rental Payments were to occur subsequent to such substitution or release.

The Indenture requires, among other things, that upon the issuance of Additional Bonds, the Lease Agreement will be amended, to the extent necessary, so as to increase the Base Rental Payments payable by the City thereunder by an aggregate amount that is sufficient to pay the principal of and interest on such Additional Bonds; provided, however, that no such amendment may be made such that the sum of such Base Rental Payments, including any increase in Base Rental Payments as a result of such amendment, plus Additional Rental Payments, in any Fiscal Year is in excess of the annual fair rental value of the applicable Property after taking into account the use of the proceeds of any Additional Bonds issued in connection therewith. See the caption "SECURITY FOR THE SERIES 2021A BONDS – Additional Bonds" for a full description of the requirements that must be met in order for the Authority to deliver Additional Bonds.

Insurance on the Property

Under the Lease Agreement, the City is required to maintain through the term of the Lease Agreement policies of insurance covering loss or damage to the Property up to replacement costs and covering title defects. If the Property is damaged or destroyed, there can be no assurance that the insurance proceeds will be sufficient to repair or restore the Property, or to redeem or defease all of the then-Outstanding Series 2021A Bonds. In addition, neither the Authority nor the City can provide any assurance as to whether the provider of an insurance policy will pay under such policy. See the caption "SECURITY FOR THE SERIES 2021A BONDS – Insurance" for a description of the insurance coverages that are required by the Lease Agreement. See the caption "THE CITY – Risk Management" for a description of the City's current insurance coverages. Certain risks, such as earthquakes and floods, are not required to be covered under the Lease Agreement and the City is not required to maintain such coverage during the term of the Lease Agreement.

Condemnation of the Property

If all or a portion of the Property were condemned, there can be no assurance that any such award or payment will be sufficient at the time to prepay or defease all of the then-Outstanding Series 2021A Bonds. If the award is less than the amounts remaining on such Outstanding Series 2021A Bonds, then the Owners will be paid less than the amounts remaining on such Outstanding Series 2021A Bonds.

Value of Property

In the event that the Trustee re-enters or re-lets the Property upon the occurrence of an Event of Default, there can be no assurance such actions will provide funds in an amount that is sufficient to pay the principal of and interest on the Series 2021A Bonds. The security under the Lease Agreement extends only to the Authority's leasehold interest in the Property granted under the Ground Lease and is subject to the restrictions of the Ground Lease. The Property has not been appraised in connection with the issuance of the Series 2021A Bonds.

No Acceleration Upon Default

In the event of a default, there is no remedy of acceleration of the total Base Rental Payments for the term of the Lease. Any suit for money damages would be subject to the legal limitations on remedies against cities and counties in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. See “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS.”

Early Prepayment Risk

Early payment of the Base Rental Payments and early prepayment of the Series 2021A Bonds may occur in whole or in part, without premium, from the proceeds of title insurance, on any date, if the Property, or a portion thereof, is lost, destroyed or damaged beyond repair or taken by eminent domain and if the City exercises its right to prepay the Base Rental Payments in whole or in part pursuant to the provisions of the Lease Agreement and the Indenture.

Bankruptcy Risks

The rights of the owners of the Series 2021A Bonds and the enforceability of the Authority’s obligation to make payments on the Series 2021A Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights under currently existing law or laws enacted in the future, and may also be subject to the exercise of judicial discretion under certain circumstances.

Under existing law, the City is eligible to file for bankruptcy. Should the City file for bankruptcy, there could be adverse effects on the holders of the Series 2021A Bonds. In a bankruptcy of the City, the Authority or the Trustee as its assignee and the owners of the Series 2021A Bonds may be prohibited from taking any action against the City, any official of the City, or any property of the City (including the Property) to enforce the terms of the Lease Agreement, unless the consent of the bankruptcy court is first obtained. The bankruptcy court is not required to give its consent. This prohibition on action may even prohibit the Trustee from using funds in its possession to make payments on the Series 2021A Bonds. As a result, Owners may experience temporary or permanent delays in the payment of the Series 2021A Bonds.

In a bankruptcy case, a plan of adjustment for the City could be confirmed that would allow for enforcement of the Lease Agreement, but the priority, interest rate, payment terms, collateral, maturity dates, payment sources, covenants and other terms or provisions of the Lease Agreement and the Series 2021A Bonds may be altered by the bankruptcy court. Such a plan could be confirmed even over the objections of the Authority or the Trustee as its assignee and the owners of the Series 2021A Bonds, and without their consent. Additionally, the resulting plan could adjust some or all of the City’s financial obligations, which include the City’s lease payment obligations under the Lease Agreement to and the City’s obligation to fund certain retirement benefits.

The adjustment plans approved by the Bankruptcy Courts in connection with the bankruptcies of the cities of Vallejo, San Bernardino and Stockton resulted in significant reductions in the amounts payable by the cities under lease revenue obligations substantially identical or similar to the Series 2021A Bonds. The City can provide no assurance about the outcome of the bankruptcy cases of other California municipalities of the nature of any adjustment plan if it were to file for bankruptcy.

In addition, if the Lease Agreement is determined to constitute a “true lease” by the bankruptcy court (rather than a financing lease providing for the extension of credit), the City could choose not to perform under the Lease Agreement and the claim of the owners of the Series 2021A Bonds could be substantially limited. An allowable claim could be substantially less than the amount of the Series 2021A Bonds outstanding, resulting in the owners of the Series 2021A Bonds suffering a substantial loss.

The opinions of counsel, including Bond Counsel, delivered in connection with the issuance and delivery of the Series 2021A Bonds will be so qualified. Bankruptcy proceedings, or the exercising of powers by the federal or state government, if initiated, could subject the owners of the Series 2021A Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights.

State Law Limitations on Appropriations

Article XIII B of the California Constitution limits the amount that local governments can appropriate annually. The ability of the City to make Base Rental Payments may be affected if the City should exceed its appropriations limit. The State may increase the appropriation limit of cities in the State by decreasing the State’s own appropriation limit. The City does not anticipate exceeding its appropriations limit in the foreseeable future. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING CITY REVENUES AND APPROPRIATIONS – Limitations on Revenues – Expenditures and Appropriations.”

Limitations on Taxes and Fees

Limitations on Taxes and Fees. Certain taxes, assessments, fees and charges presently imposed by the City could be subject to the voter approval requirements of Article XIII C and Article XIII D of the State Constitution. Based upon the outcome of an election by the voters, such fees, charges, assessments and taxes might no longer be permitted to be imposed, or may be reduced or eliminated and new taxes, assessments fees and charges may not be approved. The City has assessed the potential impact on its financial condition of the provisions of Article XIII C and Article XIII D of the State Constitution respecting the imposition and increase of taxes, fees, charges and assessments and does not believe that an election by the voters to reduce or eliminate the imposition of certain existing fees, charges, assessments and taxes would substantially affect its financial condition. However, the City believes that if the initiative power was exercised so that all local taxes, assessments, fees and charges that may be subject to Article XIII C and Article XIII D of the State Constitution are eliminated or substantially reduced, the financial condition of the City, including its General Fund, could be materially adversely affected.

Although the City does not currently anticipate that the provisions of Article XIII C and Article XIII D of the State Constitution would adversely affect its ability to pay Base Rental Payments and its other obligations payable from the General Fund, no assurance can be given regarding the ultimate interpretation or effect of Article XIII C and Article XIII D of the State Constitution on the City’s finances. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS.”

Additional Obligations of the City

The City has existing obligations payable from its General Fund. The City is permitted to enter into other obligations which constitute additional charges against its revenues, including

Additional Bonds payable from a lease of the Property, without the consent of Owners of the Series 2021A Bonds. To the extent that additional obligations are incurred by the City, the funds available to pay Base Rental Payments to the Owners of the Series 2021A Bonds may decline. See “CITY FINANCIAL INFORMATION – Long-Term General Fund Obligations” and “SECURITY FOR THE SERIES 2021A BONDS – Additional Bonds.”

The Base Rental Payments and other payments due under the Lease Agreement (including payment of costs of repair and maintenance of the Property, taxes and other governmental charges levied against the Property) are payable from funds lawfully available to the City. If the amounts that the City is obligated to pay in a fiscal year exceed the City’s revenues for such year, the City may choose to make some payments rather than making other payments, including Base Rental Payments and Additional Rental Payments, based on the perceived needs of the City. The same result could occur if, because of California Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues or is required to expend available revenues to preserve the public health, safety and welfare.

Property Taxes

Levy and Collection. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the City’s property tax revenues, and accordingly, could have an adverse impact on the ability of the City to make Base Rental Payments. Likewise, delinquencies in the payment of property taxes could have an adverse effect on the City’s ability to pay principal of and interest on the Series 2021A Bonds when due.

Reduction in Inflationary Rate. Article XIII A of the California Constitution provides that the full cash value base of real property used in determining assessed value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS.” Such measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. Since Article XIII A was approved, the annual adjustment for inflation has fallen below the 2% limitation a limited number of times.

The City is unable to predict if any adjustments to the full cash value base of real property within the City, whether an increase or a reduction, will be realized in the future.

Appeals of Assessed Values. There are two types of appeals of assessed values that could adversely impact property tax revenues:

Proposition 8 Appeals. Most of the appeals that might be filed in the City would be based on Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property must be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals

board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. These market-driven appeals are known as “Proposition 8” appeals.

Any reduction in the assessment ultimately granted as a Proposition 8 appeal applies to the year for which application is made and during which the written application was filed. These reductions are often temporary and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

Base Year Appeals. A second type of assessment appeal is called a base year appeal, where the property owners challenge the original (basis) value of their property. Appeals for reduction in the “base year” value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

No assurance can be given that property tax appeals in the future will not significantly reduce the City’s property tax revenues.

Public Health Emergencies

General. In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. On February 11, 2020, the WHO announced the official name for the outbreak of COVID-19, an upper respiratory tract illness. COVID-19 has since spread across the globe. The spread of COVID-19 is having significant adverse health and financial impacts throughout the world, including the City. The WHO has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the Governor of the State and the President of the United States.

The COVID-19 outbreak is ongoing, and its duration and severity and its economic effects are uncertain in many respects. Uncertain too are the additional actions, if any, that may be taken by federal and State governmental authorities to contain or mitigate the effects of the outbreak. The ultimate impact of COVID-19 on the City’s operations and finances and the economy, real estate market and development within the City is not fully known, and it may be some time before the full adverse impact of the COVID-19 outbreak is known. Certain reports providing preliminary information regarding the impact of the COVID-19 pandemic are described in this Official Statement. Further, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the City’s operations and finances.

Collection of Taxes. On March 30, 2020, the Governor issued Executive Order N-40-20, which delayed the deadline for the filing and payment of sales and use taxes by 90 days for all but the largest taxpayers. Under Executive Order N-40-20 and a subsequent notice from the California Department of Tax and Fee Administration, businesses with less than \$5 million in taxable annual sales are authorized to defer up to \$50,000 in sales tax and enter into a 12-month, zero interest payment plan. The Governor has also issued an Executive Order for waivers of late penalties on property taxes. Such efforts to relieve the financial impact of the COVID-19 pandemic on taxpayers have not resulted in significant delays in revenue collection by the City.

On May 6, 2020 in response to the COVID-19 pandemic, the Governor issued Executive Order N-61-20 to allow qualified taxpayers to request relief of penalties on property taxes for owner occupied residential real property and real property owned and operated by a taxpayer that qualifies as a small business under the Small Business Administration's Regulations, Code of Federal Regulations Title 13, section 121.201. To be eligible for penalty relief taxpayers must fall into one of two categories: (i) owner occupied residential real property; or (ii) real property owned and operated by a taxpayer qualified as a small business. For homeowners requesting penalty relief on property taxes for a residential real property that the homeowner occupies, the homeowner may qualify for penalty relief if all of the following are true: (i) taxes on real property were current as of March 4, 2020; (ii) the homeowner was unable to pay on time and that inability was due to a COVID-19 pandemic related impact; (iii) the homeowner was able to submit payment of the original tax amount due with the request for relief; and (iv) the homeowner's request is received by the Treasurer-Tax Collector within 30 days after the circumstances that prevented payment have concluded. If the homeowner satisfies all of the criteria, they may submit a Request for Penalty Cancellation – COVID-19 Impact Form to request penalty relief and must provide documentation to support the request.

To be eligible for penalty relief for real property owned and operated by a taxpayer as a qualified small business, the taxpayer may qualify for penalty relief if all of the following are true: (i) taxes on the real property were current as of March 4, 2020; (ii) the business was unable to pay on time and that inability was due to a COVID-19 related impact; (iii) the taxpayer is able to submit payment of the original tax amount due with the request for relief; and (iv) the taxpayer's request is received by the Treasurer-Tax Collector within 30 days after the circumstances that prevented payment have concluded. If the taxpayer satisfies all of the criteria, they may submit a Request for Penalty Cancellation – COVID-19 Impact Form to request penalty relief and will need to provide documentation to support their request.

The negative impacts from the COVID-19 pandemic on the City's revenues in Fiscal Year 2019-2020 and 2020-2021 are anticipated to continue into Fiscal Year 2021-2022 and potentially several Fiscal Years beyond depending on the pace of recovery of the local economy to the levels which existed prior to the outbreak of the COVID-19 pandemic. See "CITY FINANCIAL INFORMATION" herein.

Certain Risks Associated with Sales Tax and Other Local Tax Revenues

For fiscal year 2019-20, sales tax revenues were the largest source of revenue to the City. See "CITY FINANCIAL INFORMATION – Sales and Use Taxes." Sales tax revenues are based upon the gross receipts of retail sales of tangible goods and products by retailers with taxable transactions in the City, which could be impacted by a variety of factors. For example, in times of economic recession, the gross receipts of retailers often decline, and such a decline would cause the sales tax revenues received by the City to also decline. Most recently, the City's collection of sales tax revenues has been impacted by the COVID-19 pandemic. See "BOND OWNERS' RISKS – Public Health Emergencies – Collection of Taxes" above for a discussion of Executive Order N-40-20.

In addition, changes or amendments in the laws applicable to the City's receipt of sales tax revenues or other local taxes, whether implemented by State legislative action or voter initiative, could have an adverse effect on sales tax revenues received by the City. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Proposition 218 – Article XIIC and Article XIID."

For example, many categories of transactions are exempt from the statewide sales tax, and additional categories could be added in the future. Currently, most sales of food products for human consumption are exempt; this exemption, however, does not apply to liquor or to restaurant meals. The rate of sales tax levied on taxable transactions in the City or the fee charged by the California Department of Tax and Fee Administration for administering the City's sales tax could also be changed. See "CITY FINANCIAL INFORMATION."

Increasing Retirement Related Costs

The City is required to make contributions to CalPERS and to the OPEB Plan for City employees and retirees. Such obligations are a significant financial obligation of the City and could increase in the future. Actual contribution rates will depend on a variety of factors, including but not limited to actual investment returns and future changes to benefits or actuarial assumptions. The City notes that pension contributions in future years may increase as a result of investment losses in CalPERS' portfolio. There can be no assurances that actual increases in required contributions will not be higher than the amounts which are currently projected by the City. See "CITY FINANCIAL INFORMATION – Employee Retirement System."

Hazardous Substances

Owners and operators of real property may be required by law to remedy conditions of the property 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 area 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. 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 and adversely affect assessed values of property in the City and the operations and finances of the City.

Natural Hazards

The value of the Property, and the financial stability of the City, can be adversely affected by a variety of factors, particularly those which may affect infrastructure and other public improvements and private improvements and the continued habitability and enjoyment of such 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. In the event that one or more of such conditions occur, such occurrence could cause damages of varying seriousness to the land and improvements and the value of property in the City could be diminished in the aftermath of such events. A substantial reduction of the value of such properties could affect the ability or willingness of the property owners to pay their property taxes. [The Property is not within a flood plain designated by the Federal Emergency Management Administration.]

Seismic. There are several identified faults within close proximity to or within the boundaries of the City that could potentially result in damage to buildings, roads, bridges, and property within the City, including the Property, in the event of an earthquake. In addition, there may be other as yet unidentified faults in the area. The four nearest known faults within close proximity to the City are the San Andreas Fault (7.5 miles to the northeast), the Cucamonga Fault

(2.5 miles to the northeast), the San Ysidro Fault (5.5 miles to the northeast) and the North Lytle Creek Fault (5 miles to the northeast). While past experiences have resulted in minimal damage to the infrastructure and property within the City there is significant potential for destructive ground-shaking during the occurrence of a major seismic event. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such an event. While certain of the property within the City has been developed in conformity with the 1988 Uniform Building Code standards, such compliance is no guarantee that such buildings will not be severely damaged in an earthquake.

If there were to be an occurrence of severe seismic activity in the City, there could be an abatement or adverse impact on the City's ability to pay the Base Rental Payments. The Lease Agreement does not require that the City maintain earthquake insurance with respect to the Property.

Building codes require that some of these factors be taken into account, to a limited extent, in the design of improvements. Some of these factors may also be taken into account, to a limited extent, in the design of other infrastructure and public improvements neither designed nor subject to design approval by the City. Design criteria in any of these circumstances are established upon the basis of a variety of considerations and may change, leaving previously-designed improvements unaffected by more stringent subsequently established criteria. In general, design criteria reflect a balance at the time of protection and the future costs of lack of protection, based in part upon a present perception of the probability that the condition will occur and the seriousness of the condition should it occur. Conditions may occur and may result in damage to improvements of varying seriousness, such that the damage may entail significant repair or replacement costs and that repair or replacement may 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 actual value of the Property, as well as public and private improvements within the City in general, may well depreciate or disappear, notwithstanding the establishment of design criteria for any such condition. See "– Abatement of Lease" above.

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.

Certain portions of the City are located in areas identified by Cal Fire's 2008 High Fire Hazard Severity Zones as being very susceptible to wildfires. 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.

The northwestern corner of the City has high hazard chaparral vegetation and steep slopes. This area is also subject to high, hot Santa Ana winds that blow from the north-northeast down the Cajon Pass. The Jurupa Mountains also have high grasses and locally steep slopes. Residential developments located next to high fire hazard areas are at high risk of being impacted by fire, especially if the structures are not properly protected and there is inadequate vegetation management. Fire models indicate that a fire in these areas can also have a major impact on the fire-fighting forces in the City and neighboring communities. Since 1986, all new homes in the City are required to be equipped with fire sprinkler systems and smoke detectors.

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 City and in the ability or willingness of property owners to pay property taxes.

Climate Change

The State has historically been susceptible to wildfires and hydrologic variability. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves, and raising sea levels. The future fiscal impact of climate change on the City is difficult to predict, but it could be significant and it could have a material adverse effect on the General Fund by requiring greater expenditures to counteract the effects of climate change or by changing the operations and activities of City residents and business establishments.

Cyber Security

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 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.

No assurance can be given that the City and the other entities the City relies on will not be affected by cyber threats and attacks in a manner that may affect the Series 2021A Bond owners.

Litigation

The City is and may become a party to litigation that has the potential to have an impact on the City's General Fund. Although the City maintains certain insurance policies that provide coverage under certain circumstances and with respect to certain types of incidents, the City cannot predict what types of liabilities may arise in the future and whether these may adversely affect the ability of the City to pay Base Rental Payments under the Lease Agreement when due.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the Series 2021A Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Series 2021A Bonds is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest on the Series 2021A Bonds is based upon certain representations of fact and certifications made by the City, the Authority and others and is subject to the condition that the City and the Authority comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2021A Bonds to assure that interest on the Series 2021A Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest on the Series 2021A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2021A Bonds. The City and the Authority have covenanted to comply with all such requirements.

The amount by which a Series 2021A Bond Owner's original basis for determining loss on sale or exchange in the Series 2021A Bonds (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the Series 2021A Bond Owner's basis in the Series 2021A Bond (and the amount of tax-exempt interest received with respect to the Series 2021A Bonds), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Series 2021A Bond Owner realizing a taxable gain when a Series 2021A Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Series 2021A Bond to the Owner. Purchasers of the Series 2021A Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The IRS has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Series 2021A Bonds will be selected for audit by the IRS. It is also possible that the market value of the Series 2021A Bonds might be affected as a result of such an audit of the Series 2021A Bonds (or by an audit of similar municipal obligations). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof)

subsequent to the issuance of the Series 2021A Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Series 2021A Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE SERIES 2021A BONDS THERE MIGHT BE FEDERAL, STATE OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE OR LOCAL TAX TREATMENT OF THE SERIES 2021A BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE SERIES 2021A BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE SERIES 2021A BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE SERIES 2021A BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE SERIES 2021A BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE SERIES 2021A BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the Series 2021A Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest for federal income tax purposes with respect to any Series 2021A Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Although Bond Counsel has rendered an opinion that interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes provided that the City continue to comply with certain requirements of the Code, the ownership of the Series 2021A Bonds and the accrual or receipt of interest on the Series 2021A Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Series 2021A Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Series 2021A Bonds.

Should interest on the Series 2021A Bonds become includable in gross income for federal income tax purposes, the Series 2021A Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed in accordance with the Indenture.

The form of Bond Counsel's proposed opinion with respect to the Series 2021A Bonds is set forth in Appendix D.

CERTAIN LEGAL MATTERS

The validity of the Series 2021A Bonds and certain other legal matters are subject to the approving opinions of Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in

Appendix D. Bond Counsel will receive compensation from the City contingent upon the sale and delivery of the Series 2021A Bonds.

Certain legal matters will be passed upon for the City and the Authority by Best Best & Krieger LLP, Riverside, California, as City Attorney and by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by Kutak Rock LLP, Irvine, California (“**Underwriter’s Counsel**”), and for the Trustee by its counsel. The fees payable to Disclosure Counsel and Underwriter’s Counsel are contingent upon the sale and delivery of the Series 2021A Bonds.

Furthermore, from time to time Bond Counsel and Disclosure Counsel serve as counsel to the Underwriter with respect to transactions other than the issuance of the Series 2021A Bonds.

LITIGATION

To the best knowledge of the City, there is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending and notice of which has been served on and received by the City or, to the knowledge of the City, threatened against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Lease Agreement, the Ground Lease or the Indenture, or upon the financial condition, assets, properties or operations of the City.

Neither the City nor the Authority is in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially adversely affect the consummation of the transactions contemplated by the Lease Agreement, the Ground Lease or the Indenture, or the financial conditions, assets, properties or operations of the City, including but not limited to the payment and performance of the City’s obligations under the Lease Agreement.

RATING

S&P Global Ratings (“**S&P**”) has assigned a rating of “___” to the Series 2021A Bonds. A rating is not a recommendation to buy, sell or hold securities. Future events, including the impacts of the COVID-19 pandemic on the City, could have an adverse impact on the rating of the Series 2021A Bonds, and there is no assurance that any credit rating that is given to the Series 2021A Bonds will be maintained for any period of time or that a rating may not be qualified, downgraded, lowered or withdrawn entirely by S&P if, in the judgment of S&P circumstances so warrant, nor can there be any assurance that the criteria required to achieve the rating on the Series 2021A Bonds will not change during the period that the Series 2021A Bonds remain outstanding.

Any qualification, downward revision, lowering or withdrawal of the ratings on the Series 2021A Bonds may have an adverse effect on the market price of the Series 2021A Bonds. Such rating reflects only the current view of S&P (which could change at any time), and an explanation of the significance of such ratings may be obtained from S&P. Generally, S&P bases its ratings on information and materials furnished to them (which may include information and material from the City that is not included in this Official Statement) and on investigations, studies and assumptions by S&P.

The City has covenanted in the Continuing Disclosure Certificate to file notices of any rating changes on the Series 2021A Bonds with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System. See the caption "CONTINUING DISCLOSURE" and Appendix E. Notwithstanding such covenant, information relating to rating changes on the Series 2021A Bonds may be publicly available from S&P prior to such information being provided to the City and prior to the date by which the City is obligated to file a notice of rating change. Purchasers of the Series 2021A Bonds are directed to S&P and its website and official media outlets for the most current ratings with respect to the Series 2021A Bonds after the initial issuance of the Series 2021A Bonds.

CONTINUING DISCLOSURE

The City (on behalf of the Authority and itself) will covenant for the benefit of owners of the Series 2021A Bonds to provide certain financial information and operating data relating to the City (the "**Annual Report**"), by not later than February 1 of each year and commencing February 1, 2022 with the report for the fiscal year ending June 30, 2021, and to provide notices of the occurrence of certain listed events. The Annual Report and the notices of enumerated events will be filed by the City with the Municipal Securities Rulemaking Board through Electronic Municipal Access System ("**EMMA**"). The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is summarized below under the caption "APPENDIX F – FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**").

The City, as well as the Authority, the Fontana Public Financing 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 Financing 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 City and the Authority are aware that not all of the required information was included with respect to a number of annual report filings by the Fontana Public Financing Authority, the Successor Agency and several CFDs, including required tabular information. Additionally, the Financing Authority and two CFDs failed to timely file certain notices of ratings changes. The City has since made filings on behalf of 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 Authority, the Successor Agency and the Financing Authority have not failed to timely comply with their respective prior continuing disclosure obligations under the Rule in all material respects.

UNDERWRITING

The Series 2021A Bonds are being purchased pursuant a bond purchase agreement by and among the Authority, the City, and the Underwriter. The Underwriter has agreed to purchase the Series 2021A Bonds at a purchase price of \$_____ (which is equal to the par amount of the Series 2021A Bonds, less an underwriter's discount of \$_____).

The Underwriter may offer the Series 2021A Bonds to the public at the offering prices set forth on the cover page of this Official Statement. The Underwriter may offer and sell to certain dealers and others at a price lower than the offering prices stated on the cover page hereof. The offering price may be changed from time to time by the Underwriter.

MUNICIPAL ADVISOR

The Authority and the City have retained CSG Advisors Incorporated, San Francisco, California, as Municipal Advisor in connection with the preparation of this Official Statement and with respect to the issuance of the Series 2021A Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent registered municipal advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities. The Municipal Advisor's compensation is contingent upon the delivery of the Series 2021A Bonds.

EXECUTION

The execution of this Official Statement and its delivery have been authorized by the Board of the Authority and the City Council of the City.

FONTANA PUBLIC FACILITIES FINANCING AUTHORITY

By: _____
_____,
Interim Executive Director

CITY OF FONTANA

By: _____
_____,
Interim City Manager

APPENDIX A

DEMOGRAPHIC AND ECONOMIC INFORMATION FOR THE CITY OF FONTANA AND COUNTY OF SAN BERNARDINO

The following information concerning the County of San Bernardino (the “County”) and the City of Fontana (the “City”) is presented as general background data. The Series 2021A Bonds are payable solely from moneys of the City as described in the Official Statement. The taxing power of the City, the County, the State of California (the “State”) or any political subdivision thereof is not pledged to the payment of the Series 2021A Bonds.

The City also notes that the below information is the latest available but does not in any instance reflect the impact of the COVID-19 pandemic. See the Official Statement under the caption “THE CITY – Public Health Emergency – COVID-19.” Accordingly, the historical information below does not necessarily reflect present economic conditions and future information could be significantly different from the historical information below.

General

Founded in 1913, the City is the second largest city in the County and encompasses approximately 42.4 square miles of land. The City has experience significant growth in population. The City is located 50 miles east of Los Angeles, and approximately 10 miles west of the cities of Riverside and San Bernardino.

The County is located in Southern California and was established by an act of the State Legislature on May 23, 1853, separating the County from the eastern part of the County of Los Angeles. The County encompasses an area of over 22,000 square miles, making it geographically the largest county in the nation, and includes twenty-four incorporated communities. The County is bordered on the west by the Counties of Los Angeles and Kern, on the north by the County of Inyo, and on the south by the County of Riverside.

City Government

The City was incorporated as a general law city in 1952 and is governed by a Mayor and four council members elected at large 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 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 in or near the City.

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

Year⁽¹⁾	City of Fontana	County of San Bernardino	State of California
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

⁽¹⁾ January 1 estimate.

Source: California State Department of Finance, Demographic Research Unit.

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 and Industry

The City is located in the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (“MSA”). The unemployment rate in the MSA was 7.9% in June 2021, up from a revised 7.2% in May 2021, and below the year-ago estimate of 13.3%. This compares with an unadjusted unemployment rate of 8.0% for California and 6.1% for the nation during the same period. The unemployment rate was 8.0% in the County.

The table below list employment by industry group for calendar years 2016 through 2020. Annual figures are not yet available for calendar year 2021.

RIVERSIDE-SAN BERNARDINO-ONTARIO MSA Annual Average Civilian Labor Force, Employment and Unemployment by Industry (March 2020 Benchmark)

	2016	2017	2018	2019	2020
Civilian Labor Force ⁽¹⁾	1,981,900	2,014,300	2,045,200	2,070,700	2,073,900
Employment	1,863,600	1,910,800	1,957,200	1,986,100	1,872,600
Unemployment	118,300	103,500	88,000	84,600	201,300
Unemployment Rate	6.0%	5.1%	4.3%	4.1%	9.7%
<u>Wage and Salary Employment: ⁽²⁾</u>					
Agriculture	14,600	14,500	14,500	15,400	13,900
Mining, Logging and Construction	92,900	98,400	106,400	108,400	106,200
Manufacturing	97,500	98,000	99,800	100,600	94,300
Wholesale Trade	61,600	62,600	65,500	67,100	64,600
Retail Trade	178,300	180,900	181,200	180,700	168,800
Transportation, Warehousing and Utilities	106,400	119,900	132,100	146,600	170,500
Information	11,800	11,600	11,400	11,500	9,400
Finance and Insurance	27,100	26,300	25,300	24,800	24,500
Real Estate and Rental and Leasing	17,900	18,400	19,300	20,200	19,100
Professional and Business Services	145,100	147,300	152,000	158,700	154,000
Educational and Health Services	215,700	226,700	239,500	250,300	248,700
Leisure and Hospitality	160,200	166,300	170,600	175,900	139,200
Other Services	44,600	45,400	45,800	46,200	39,600
Federal Government	20,400	20,600	20,700	21,100	22,200
State Government	29,700	30,400	30,600	31,100	31,100
Local Government	192,200	200,100	205,900	209,000	195,900
Total, All Industries ⁽³⁾	1,416,000	1,467,300	1,520,500	1,567,500	1,501,800

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: Labor Division of the California State Employment Development Department.

Principal Employers

The following table shows the principal employers in the City, listed from greatest to fewest number of employees, as shown in the City's Annual Comprehensive Financial Report for Fiscal Year ending June 30, 2020.

CITY OF FONTANA Principal Employers As June 30, 2020

Employer	Number of Employees	Percent of Total Employment
Kaiser Hospital & Med. Group	6,248	6.37%
Fontana Unified School District	5,898	6.01
Amazon.com Services LLC	3,008	3.07
City of Fontana (includes part time employees)	995	1.01
Estes West	352	0.36
Water of Life Community Church	300	0.31
Saia Motor Freight Line LLC	289	0.29
Schlosser Forge Company	287	0.29
Walmart Store #1756	286	0.29
Costco Wholesale #627	275	0.28
Crown Technical Systems	275	0.28
Total Employment Listed ⁽¹⁾	18,213	18.57%

(1) "Total Employment" as used above represents the total employment of all employers located within the City limits.
Source: City of Fontana, as shown in the Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2020.

The following table lists, in alphabetical order, the largest manufacturing and non-manufacturing employers within the County as of August 2021.

COUNTY OF SAN BERNARDINO
Major Employers
As of August 2021
(In Alphabetical Order)

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
Amazon Fulfillment Ctr	Redlands	Mail Order Fulfillment Service
Amazon Fulfillment Ctr	San Bernardino	Mail Order Fulfillment Service
Arrowhead Regional Medical Ctr	Colton	Hospitals
Bear Mountain	Big Bear Lake	Skiing Centers & Resorts
Big Bear Mountain Resorts	Big Bear Lake	Resorts
Burlington Distribution Ctr	San Bernardino	Distribution Services
California State Univ Sn	San Bernardino	Schools-Universities & Colleges Academic
Community Hospital-Sn Brnrdn	San Bernardino	Hospitals
Environmental Systems Research	Redlands	Geographics Information Systems
Fedex Ground	Bloomington	Delivery Service
Inland Empire Health Plan	Rancho Cucamonga	Health Plans
Loma Linda Univ Health Board	Loma Linda	Univ/Clg-Governing Body/Regent/Trustee
Loma Linda University Med Ctr	Loma Linda	Hospitals
Mountain High Ski Resort	Wrightwood	Skiing Centers & Resorts
Ontario International Airport	Ontario	Airports
Ontario-Montclair School Dist	Ontario	School Districts
Patton State Hospital	Patton	Hospitals
Redlands Community Hospital	Redlands	Hospitals
San Antonio Regional Hospital	Upland	Hospitals
San Bernardino County Sch Supt	San Bernardino	Schools & Educational Services NEC
San Bernardino County Sheriff	San Bernardino	County Government-General Offices
St Bernardine Medical Ctr	San Bernardino	Hospitals
St Mary's Medical Ctr	Apple Valley	Hospitals
Transportation Department	San Bernardino	State Government-Transportation Programs
YRC Freight	Bloomington	Trucking-Motor Freight

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2021 1st Edition.

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income for the City, the County, the State and the United States for the period 2017 through 2021:

CITY OF FONTANA, COUNTY OF SAN BERNARDINO STATE OF CALIFORNIA AND THE UNITED STATES Effective Buying Income 2017 through 2021

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2017	City of Fontana	\$3,554,839	\$59,974
	County of San Bernardino	40,600,305	50,226
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2018	City of Fontana	\$3,554,839	\$59,974
	County of San Bernardino	40,600,305	50,226
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	City of Fontana	\$3,757,992	\$62,184
	County of San Bernardino	42,984,313	52,631
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	City of Fontana	\$4,061,271	\$65,368
	County of San Bernardino	46,025,841	56,502
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	City of Fontana	\$4,372,087	\$68,404
	County of San Bernardino	48,859,973	59,285
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790

Source: The Nielsen Company (US), Inc for years 2017 and 2018; Claritas, LLC for 2019 through 2021.

Commercial Activity

Summaries of the historic taxable sales within the City and the County during the past five years in which data is available are shown in the following tables.

Total taxable sales during calendar year 2020 in the City were reported to be \$3,615,020,725, a 2.27% decrease from the total taxable sales of \$3,698,999,720 reported during calendar year 2019.

CITY OF FONTANA
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2016	3,964	\$2,335,650	5,455	\$3,134,792
2017	3,955	2,469,130	5,495	3,341,901
2018	3,944	2,650,007	5,597	3,596,722
2019	4,101	2,688,721	5,870	3,698,100
2020	4,467	2,752,323	6,543	3,615,021

Source: State Department of Tax and Fee Administration.

Total taxable sales during calendar year 2020 in the County were reported to be \$42,884,766,804, a 2.67% increase from the total taxable sales of \$41,770,308,843 reported during calendar year 2019.

COUNTY OF SAN BERNARDINO
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2016	38,366	\$24,242,145	57,542	\$36,981,694
2017	39,067	25,341,773	58,956	38,137,915
2018	39,837	26,905,784	61,838	40,554,024
2019	40,964	27,564,216	64,771	41,770,309
2020	44,330	28,518,285	71,145	42,884,767

Source: State Department of Tax and Fee Administration.

Construction Activity

The following tables show a five-year summary of the valuation of building permits issued in the City and the County.

CITY OF FONTANA Building Permit Valuation (Valuation in Thousands of Dollars)

	2016	2017	2018	2019	2020
<u>Permit Valuation</u>					
New Single-family	\$121,073.7	\$146,025.8	\$14,147.5	\$203,499.7	\$261,847.9
New Multi-family	3,963.3	6,018.8	0.0	24,065.8	44,974.6
Res. Alterations/Additions	<u>4,705.4</u>	<u>5,383.8</u>	<u>1,412.9</u>	<u>13,917.2</u>	<u>4,724.1</u>
Total Residential	129,742.4	157,428.4	15,560.4	241,482.7	311,546.6
New Commercial	6,880.8	3,505.1	17,436.8	5,729.1	10,578.2
New Industrial	174,571.8	84,005.2	141,486.8	120,984.3	116,420.5
New Other	7,815.1	3,802.4	5,115.6	3,885.5	1,510.0
Com. Alterations/Additions	<u>39,096.5</u>	<u>40,257.5</u>	<u>33,340.7</u>	<u>14,784.7</u>	<u>21,252.6</u>
Total Nonresidential	228,364.2	131,570.2	197,379.9	145,383.6	149,761.3
<u>New Dwelling Units</u>					
Single Family	439	600	70	642	848
Multiple Family	<u>33</u>	<u>69</u>	<u>0</u>	<u>210</u>	<u>234</u>
TOTAL	472	669	70	852	1,082

Source: Construction Industry Research Board, Building Permit Summary.

COUNTY OF SAN BERNARDINO Building Permit Valuation (Valuation in Thousands of Dollars)

	2016	2017	2018	2019	2020
<u>Permit Valuation</u>					
New Single-family	\$706,601.8	\$1,009,450.8	\$1,114,777.8	\$1,078,797.7	\$934,304.4
New Multi-family	119,497.6	287,760.5	268,564.9	232,079.3	143,366.2
Res. Alterations/Additions	<u>62,042.4</u>	<u>77,811.9</u>	<u>71,937.8</u>	<u>139,761.1</u>	<u>61,788.5</u>
Total Residential	888,141.8	1,375,023.2	1,455,280.6	1,450,638.1	1,139,459.1
New Commercial	189,230.5	324,540.4	230,518.8	449,998.5	274,080.5
New Industrial	426,747.9	543,462.7	387,108.6	476,322.3	330,960.1
New Other	96,402.8	86,981.8	74,356.9	85,651.8	123,121.9
Com. Alterations/Additions	<u>308,269.9</u>	<u>330,612.1</u>	<u>388,145.5</u>	<u>365,127.0</u>	<u>336,533.1</u>
Total Nonresidential	1,020,651.1	1,285,597.0	1,080,129.8	1,377,099.6	1,064,695.6
<u>New Dwelling Units</u>					
Single Family	2,896	4,253	3,311	4,096	3,631
Multiple Family	<u>976</u>	<u>2,578</u>	<u>1,775</u>	<u>1,884</u>	<u>910</u>
TOTAL	3,872	6,831	5,086	5,980	4,541

Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS

APPENDIX C

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2020

APPENDIX D
PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____
**FONTANA PUBLIC FACILITIES FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2021A**

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the City of Fontana (the “City”) in connection with the issuance by the Fontana Public Facilities Financing Authority (the “Authority”) of the bonds captioned above (the “Bonds”). The Bonds are being issued under an Indenture dated as of November 1, 2021 (the “Indenture”), by and among the Authority, the City and U.S. Bank National Association, as trustee (the “Trustee”). The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City on behalf of itself and the Authority for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means February 1 after the end of the City’s fiscal year.

“*Dissemination Agent*” means, initially, U.S. Bank National Association, and any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement dated _____, 2021, executed by the City and the Authority in connection with the issuance of the Bonds.

“*Participating Underwriter*” means Stifel, Nicolaus & Company, Incorporated, the original purchaser of the Bonds required to comply with the Rule in connection with offering of the 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.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing February 1, 2022, with the report for fiscal year 2020-21, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The City shall provide a written general fund with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City shall provide (or cause the Dissemination Agent to provide) a notice to the MSRB, in an electronic format as prescribed by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the City for the preceding fiscal year, prepared in accordance generally accepted accounting principles. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information.* To the extent not included in the audited final statements of the City, the Annual Report shall also include financial and operating data with respect to the City for preceding fiscal year, substantially similar to that provided in the corresponding tables and charts in the Official Statement, as follows:

(i) information concerning the actual revenues, expenditures and beginning and ending fund balances relating to the General Fund of the City for the most recent completed Fiscal Year, including information showing tax revenue collections by source;

(ii) information showing the aggregate principal amount of long-term bonds, leases and other obligations of the City which are payable out of the General Fund of the City, as of the close of the most recent completed Fiscal Year;

(iii) information concerning the assessed valuation of properties within the City for the most recent completed Fiscal Year, showing the valuation for secured, public utility and unsecured property;

(iv) information regarding the ten largest property taxpayers in the City for the Fiscal Year;

(v) information showing the total secured property tax levy and actual amounts collected for the most recent completed Fiscal Year; and

(vi) information showing the balance sheet of the General Fund of the City as of the close of the most recent completed Fiscal Year, including categorized assets, liabilities and reserved and unreserved fund balances.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) 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 City or related public entities, which are available to the public through the MSRB. The City shall clearly identify each such other document so included by reference. If the document included by reference is a final official statement, it must be available from the MSRB.

Section 5. Reporting of Listed Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with

respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes (without any obligation to provide any notices of changes in the outlook assigned to or associated with any rating).
- (12) Bankruptcy, insolvency, receivership or similar event of the City.
- (13) The consummation of a merger, consolidation, or acquisition involving the City, or the sale of all or substantially all of the assets of the City (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, if material.
- (14) Appointment of a successor or additional Trustee or the change of name of the Trustee, if material.
- (15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

(b) Upon the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 Business Days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier “material” with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Upon occurrence of any of these Listed Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If

such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States 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 City, or if such jurisdiction has been assumed by leaving the existing governing 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 City.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5©.

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be the City. Any Dissemination Agent may resign by providing 30 days’ written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), 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 Bonds, or 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 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 either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City 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 arising out of or 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, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond owners or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2021

CITY OF FONTANA

By: _____

U.S. BANK NATIONAL ASSOCIATION,
as Dissemination Agent

By: _____
Authorized Officer

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Series 2021A Bonds, payment of principal, interest and other payments on the Series 2021A Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Series 2021A Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC 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.

Neither the Fontana Public Facilities Financing Authority (the “Issuer”) nor U.S. Bank National Association (the “Agent”) take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Series 2021A Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Series 2021A Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2021A Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities 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 Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. 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 3.5 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 an S&P Global Ratings 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. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("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 Securities 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 certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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.

5. 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities 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 Issuer or Agent, 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, Agent, or Issuer, 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 Issuer or Agent, 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.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.



City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

City Council Meeting

File #: 21-979

Agenda #: D.

Agenda Date: 10/26/2021

Category: Public Hearing

FROM:

Engineering

SUBJECT:

Hearing for the Consideration of a Resolution of Necessity to Acquire Permanent Street Easement and Temporary Construction Easement Interests in Certain Real Property Located in the City of Fontana, San Bernardino County, California, More Particularly Described as Assessor Parcel Nos. 0239-081-23, 0239-081-24, and 0239-151-18, by Eminent Domain, for the Duncan Canyon Road Project

RECOMMENDATION:

1. Conduct a public hearing to consider the adoption of a proposed Resolution of Necessity, including providing all interested parties of the affected property, their attorneys or their representatives an opportunity to be heard on the issues relevant to the resolution of necessity.

2. Make the following findings as hereinafter described in this report:

- (a) The public interest and necessity require the proposed project;
- (b) The proposed project is planned or located in the manner that will be most compatible with the greatest public good and least private injury;
- (c) The real property described in Exhibits A and B are necessary for the proposed project;
- (d) The offers required by section 7267.2 of the California Government Code were made; and
- (e) The public use for which the property sought to be acquired and described in the Resolution of Necessity is a more necessary public use than the use to which the property is appropriated.

3. Adopt **Resolution No. 2021-___**. Resolution of Necessity by the City Council of the City of Fontana, declaring that the acquisition permanent street easements and temporary construction easement interests in certain real property located in the City of Fontana, San Bernardino County, California, more particularly described as Assessor Parcel Nos. 0239-081-23, 0239-081-24, and 0239-151-18, by eminent domain, are necessary for street widening and related public infrastructure improvements to Duncan Canyon Road (intersection of Sierra Avenue and Duncan Canyon Road) for the Duncan Canyon Road Widening Project, in the City of Fontana, San Bernardino County, California.

COUNCIL GOALS:

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

DISCUSSION:

The City Council is being asked to consider the adoption of a Resolution of Necessity for the interests in the parcels listed below. These interests are required for the City of Fontana's ("City") Duncan Canyon Road Project (intersection of Sierra Avenue and Duncan Canyon Road) ("Project").

The power of eminent domain is used by the City only as a last resort to obtain interests necessary for projects after 1) negotiations have stalled; or 2) the owner has requested that the City proceed directly to eminent domain for tax or other advantages; or 3) the eminent domain process is necessary to clear the title to the property. Offers of just compensation have been made to the owners for the full Fair Market Value as determined by appraisals. Paragon Partners, on behalf of City Staff, attempted to negotiate amicable settlements in good faith, and negotiations will continue throughout the process. California's definition of Fair Market Value is one of the most inclusive definitions in the United States and requires the appraiser to consider the highest and best use of the property and the appraiser to consider the highest price a willing buyer and seller would agree to. The City's appraisals must use this definition of Fair Market Value. For this Project, the City obtained appraisals from Pike and Associates and made offers of just compensation to the property owners pursuant to California Government Code section 7267.2.

Since an agreement has not been reached with the owners of the parcels, acquisition by eminent domain is the City's last option. The initiation of the eminent domain process is accomplished by the City's adoption of a resolution of necessity for the affected property.

The record owner must be afforded an opportunity to appear and be heard at the hearing. A notice of this hearing was sent by first class mail on October 11, 2021 to each record owner in accordance with Section 1245.235 of the California Code of Civil Procedure. The notice stated the City's intent to consider the adoption of a resolution, the right of the property owner to appear and be heard on these issues, and that failure to file a written request to appear may result in a waiver of the right to appear and be heard. The City scheduled this hearing at which all persons who filed a written request in compliance with applicable law may appear and be heard.

DESCRIPTION OF PROPERTY TO BE ACQUIRED:

The properties affected by the proposed acquisition are:

1) Assessor Parcel Nos. 0239-081-23 & 0239-081-24 are vacant land located at the northwest corner of Sierra Avenue and Duncan Canyon Road. The proposed acquisition consists of one (1) permanent easement interest and one (1) temporary construction easement interest. The legal definitions, descriptions and depictions are attached hereto as **Exhibit A**; and

2) Assessor Parcel No. 0239-151-18 is vacant land located at the southeast corner of Sierra Avenue and Duncan Canyon Road. The proposed acquisition consists of one (1) permanent easement interest and one (1) temporary construction easement interest in portions of the real property. The legal definitions, descriptions and depictions are attached hereto as **Exhibit B**.

HEARINGS AND REQUIRED FINDINGS:

The recommended action of the City Council pertains to the acquisition of permanent street easements and temporary construction easement interest in portions of real property known as Assessor Parcel Nos. 0239-081-23 and

0239-081-24, owned by San Gabriel Valley Water Company; and 0239-151-18 owned by Sat Purkh Jan, Inc.

California eminent domain law provides that a public entity may not commence with eminent domain proceedings until its governing body has adopted a Resolution of Necessity, which may only be adopted after the governing body has given each party with an interest in the affected property, or their representatives, a reasonable opportunity to appear and be heard on the following matters:

- 1) The public interest and necessity require the proposed project;
- 2) The project is planned or located in a manner that will be most compatible with the greatest public good and the least private injury;
- 3) The real property to be acquired is necessary for the project; and
- 4) The offers of just compensation have been made to the property owner.

In addition, to the extent any of the property sought to be acquired is subject to an existing public use, the City must find that the public use for which the property sought to be acquired and described in the Resolution of Necessity is a more necessary public use to which the property is appropriated.

The above required findings are addressed as follows:

1. The Public Interest and Necessity Require the Proposed Project

The current improvements to Duncan Canyon Road consist of only two lanes of travel way in both directions. This provides the level of service as needed by the current traffic demand. This street improvement project will include the widening of Duncan Canyon Road, the construction of a raised median and the installation of streetlights and traffic signals at Duncan Canyon Road and Sierra Avenue. Completing these improvements on Duncan Canyon Road will help to accommodate the increase in vehicular traffic in North Fontana.

2. The Project is Planned or Located in the Manner that will be Most Compatible with the Greatest Public Good and the Least Private Injury

This project will provide needed roadway improvements to address current transportation needs. With the construction of these improvements Duncan Canyon Road will be a link to the neighboring communities and will help facilitate the on-going development in North Fontana. The proposed improvements will be constructed within the ultimate right of way of Duncan Canyon Road and will be a continuation of the existing improvements at Sierra Avenue. Existing improvements within temporary construction easements will be replaced in kind upon completion of the project. Construction schedules will be arranged to minimize, as much as possible, nuisance of noise, dust and other construction activities to nearby residents and the traveling public. Notification of street closures and alternate route alternatives will be provided in advance to all residents in close proximity of the project. All efforts will be made to pursue project completion as quickly as possible once work is begun. In addition, the City will acquire the needed right-of-way subject to any existing utility easements.

3. The Real Property Sought to be Acquired is Necessary for the Project

Duncan Canyon Road west of Sierra Avenue has been designated a primary highway and east of Sierra Avenue has been designated a collector on the Hierarchy of Streets as adopted by the City's General Plan. The existing right of way does not permit the development of Duncan Canyon Road to a primary highway and collector without acquiring additional right of way.

4. The Offers of Just Compensation Were Made to the Property Owners

Appropriate sources, including title reports from First American Title Company and property research from DataTree, were used to confirm and identify the parties with an interest in the properties affected by the Project. The City obtained appraisals of the affected properties from Pike and Associates.

The City made the following offers of just compensation to the following property owners, as established by the approved appraisals and as required by Section 7267.2 of the California Government Code:

1) On September 22, 2021, an offer to San Gabriel Valley Water Company was made for one (1) permanent easement interest and one (1) temporary construction easement interest in portions of

vacant property located at the northwest corner of Sierra Avenue and Duncan Canyon Road in the City of Fontana, CA, more particularly described as Assessor Parcel Nos. 0239-081-23 & 0239-081-24, in the amount of \$33,600; and

2) On September 22, 2021, an offer to Sat Purkh Jan, Inc. was made for one (1) permanent easement interest and one (1) temporary construction easement interest in portions of vacant property located at the southeast corner of Sierra Avenue and Duncan Canyon Road in the City of Fontana, CA, more particularly described as Assessor Parcel No. 0239-151-18, in the amount of \$1,000.

Although a negotiated settlement may still be possible for the real property cited above, it would be appropriate to commence the procedures to acquire the property through eminent domain, to ensure that the City has possession of the real property, which is necessary in order for the City to begin construction of the Project.

More Necessary Public Use

Some or all of the real property to be acquired is subject to easements and rights-of-way appropriated to existing public uses. To the extent that the herein described use or uses will unreasonably interfere with or impair the continuance of the public use as it now exists or may reasonably be expected to exist in the future, the City must find and determine that the herein described use or uses are more necessary than said existing public use.

Although negotiated settlements may still be possible for the real property cited above, it would be appropriate to commence the procedures to acquire the property through eminent domain, to ensure that the City has possession of the real property, which is necessary in order for the City to begin construction of the Project.

FISCAL IMPACT:

The Developer North Fontana Investment Company, LLC will fund acquisition.

MOTION:

Approve staff recommendation

RESOLUTION NO. 2021-____

A RESOLUTION OF NECESSITY BY THE CITY COUNCIL OF THE CITY OF FONTANA, DECLARING THAT THE ACQUISITION OF PERMANENT ROAD EASEMENTS AND TEMPORARY CONSTRUCTION EASEMENT INTERESTS IN PORTIONS OF CERTAIN REAL PROPERTY LOCATED IN THE CITY OF FONTANA, SAN BERNARDINO COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS ASSESSOR PARCEL NUMBERS 0239-081-23, 0239-081-24, AND 0239-151-18, BY EMINENT DOMAIN, ARE NECESSARY FOR STREET WIDENING AND RELATED PUBLIC INFRASTRUCTURE IMPROVEMENTS TO DUNCAN CANYON ROAD FOR THE DUNCAN CANYON ROAD PROJECT, IN THE CITY OF FONTANA, SAN BERNARDINO COUNTY, CALIFORNIA.

WHEREAS, the City of Fontana (the "City") proposes to acquire permanent street easements and temporary construction easement interests in certain real property located in the City of Fontana, San Bernardino County, California, more particularly described as Assessor Parcel Nos. 0239-081-23, 0239-081-24, and 0239-151-18, for street widening and related public infrastructure improvements to improvements to Duncan Canyon Road (intersection of Sierra Avenue and Duncan Canyon Road), in the City of Fontana, San Bernardino County, California, pursuant to the authority granted to it by section 37350.5 of the California Government Code and sections 1240.010, 1240.020 1240.030 of the California Code of Civil Procedure; and

WHEREAS, pursuant to section 1245.235 of the California Code of Civil Procedure, the City scheduled a public hearing for Tuesday, October 26, 2021, at 7:00 p.m., at Fontana City Hall, Grover W. Taylor Council Chambers, 8353 Sierra Avenue, Fontana, California, and gave to each person whose property is to be acquired and whose name and address appeared on the last equalized county assessment roll, notice and a reasonable opportunity to appear at said hearing and be heard on the matters referred to in section 1240.030 of the California Code of Civil Procedure; and

WHEREAS, said hearing was held by the City and each person whose property is to be acquired by eminent domain was afforded an opportunity to be heard on said matters; and

WHEREAS, the City may now adopt a Resolution of Necessity pursuant to section 1240.040 of the California Code of Civil Procedure;

NOW, THEREFORE, THE CITY DOES HEREBY RESOLVE AND DECLARE AS FOLLOWS:

Section 1. Compliance with California Code of Civil Procedure and California Environmental Quality Act. There has been compliance by the City with the requirements of section 1245.235 of the California Code of Civil Procedure regarding notice and hearing and with the California Environmental Quality Act.

Section 2. Public Use. The public use for which the real property is to be acquired is for street widening and related public infrastructure improvements to Duncan Canyon Road (between Sierra Avenue and Duncan Canyon Road), in the City of Fontana, San Bernardino County, California. Section 37350.5 of the California Government Code authorizes the City to acquire by eminent domain real property necessary for such purposes.

Section 3. Description of Property. Attached and marked as **Exhibits A** and **B** are the legal definitions, legal descriptions and plat maps of the interests to be acquired by the City, which describe the general location and extent of the property to be acquired with sufficient detail for reasonable identification.

Section 4. Findings. The City hereby finds and determines each of the following:

- (a) The public interest and necessity require the proposed project;
- (b) The proposed project is planned or located in the manner that will be most compatible with the greatest public good and least private injury;
- (c) The real property described in **Exhibits A** and **B** are necessary for the proposed project; and
- (d) The offers required by section 7267.2 of the California Government Code were made.

Section 5. Use Not Unreasonably Interfering with Existing Public Use(s). Some or all of the real property to be acquired is subject to easements and rights-of-way appropriated to existing public uses. The legal descriptions of these easements and rights-of-way are on file with the City and describe the general location and extent of the easements and rights-of-way with sufficient detail for reasonable identification. In the event the herein described use or uses will not unreasonably interfere with or impair the continuance of the public use as it now exists or may reasonably be expected to exist in the future, counsel for the City is authorized to acquire the real property subject to such existing public use(s) pursuant to section 1240.510 of the California Code of Civil Procedure.

Section 6. More Necessary Public Use. Some or all of the real property to be acquired is subject to easements and rights-of-way appropriated to existing public uses. To the extent that the herein described use or uses will unreasonably interfere with or impair the continuance of the public use as it now exists or may reasonably be expected to exist in the future, the City finds and determines that the herein described use or uses are more necessary than said existing public use. Counsel for the City is authorized to acquire the real property appropriated to such existing public use(s) pursuant to section 1240.610 of the California Code of Civil Procedure. Staff is further authorized to make such improvements to the real property being acquired that it determines is reasonably necessary to mitigate any adverse impact upon the existing public use.

Section 7. Further Activities. Counsel for the City is hereby authorized to file legal proceedings necessary to acquire the hereinabove described real property in the name of and on behalf of the City by eminent domain, and counsel is authorized to institute and prosecute such legal proceedings as may be required in connection therewith. Legal counsel

is further authorized to take such steps as may be authorized and required by law, and to make such security deposits as may be required by order of court, to permit the City to take possession of and use said real property at the earliest possible time. Counsel is further authorized to correct any errors or to make or agree to non-material changes in the legal description of the real property that are deemed necessary for the conduct of the condemnation action or other proceedings or transaction required to acquire the subject real property. Counsel is further authorized to reduce or modify the extent of the interests or property to be acquired so as to reduce the compensation payable in the action where such change would not substantially impair the construction and operation for the project for what the real property is being acquired.

Section 8. Effective Date. This Resolution shall take effect upon adoption.

APPROVED AND ADOPTED this 26th day of October, 2021.

READ AND APPROVED AS TO LEGAL FORM:

City Attorney

CERTIFICATION

I, Tonia Lewis, City Clerk of the City of Fontana, California, and Ex-Officio Clerk of the City Council, do hereby certify that the foregoing resolution is the actual resolution duly and regularly adopted by the City Council at a regular meeting thereof, held on the 26th day of October, 2021, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAINED:

City Clerk of the City of Fontana

Mayor of the City of Fontana

ATTEST

City Clerk

EXHIBIT "A"

**LEGAL DESCRIPTION
TEMPORARY CONSTRUCTION EASEMENT
DUNCAN CANYON ROAD (WEST OF SIERRA AVENUE)**

THE FOLLOWING DESCRIBED REAL PROPERTY IS SITUATED IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, BEING A PORTION OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4, OF SECTION 18, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL "A"

BEGINNING AT THE NORTHERLY CORNER OF THE MOST WESTERLY LINE OF THE RIGHT OF WAY DEDICATED PER INSTRUMENT NO. _____-_____ RECORDED __/__/20__ IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO;

THENCE NORTH 00°35'43" WEST, 10.00 FEET;

THENCE NORTH 89°32'57" EAST 223.26 FEET;

THENCE NORTH 44°28'37" EAST 21.44 FEET;

THENCE NORTH 0°35'43" WEST 135.85 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 304.17 FEET;

THENCE NORTHERLY ALONG SAID CURVE, 65.65 FEET THROUGH A CENTRAL ANGLE OF 12°21'57" TO THE BEGINNING OF A REVERSE CURVE CONCAVE WESTERLY HAVING A RADIUS OF 256.17 FEET TO WHICH A RADIAL LINE BEARS NORTH 78°13'46" WEST;

THENCE NORTHERLY ALONG SAID CURVE, 55.29 FEET THROUGH A CENTRAL ANGLE OF 12°21'57";

THENCE NORTH 0°35'43" WEST 323.89 FEET;

THENCE NORTH 89°36'23" EAST 10.00 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF SIERRA AVENUE (68.00 FEET HALF WIDTH) PER SAID INSTRUMENT NO. _____-_____;

THENCE SOUTH 0°35'43" EAST 323.85 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 266.17 FEET;

THENCE SOUTHERLY ALONG SAID CURVE, 57.45 FEET THROUGH A CENTRAL ANGLE OF 12°21'57" TO THE BEGINNING OF A REVERSE CURVE CONCAVE EASTERLY HAVING A RADIUS OF 294.17 FEET TO WHICH A RADIAL LINE BEARS NORTH 78°13'46" WEST;

THENCE SOUTHERLY ALONG SAID CURVE, 63.49 FEET THROUGH A CENTRAL ANGLE OF 12°21'57";

THENCE SOUTH 00°35'43" EAST 140.00 FEET;

THENCE SOUTH 44°28'37" WEST 29.74 FEET;

THENCE SOUTH 89°32'57" WEST 227.39 FEET THE POINT OF BEGINNING;

CONTAINS 8,336 SQUARE FEET, MORE OR LESS.

APN: 0239-081-23

PARCEL "B"

BEGINNING AT THE SOUTHEASTERLY CORNER OF THE RIGHT OF WAY DEDICATED PER INSTRUMENT NO. _____ - _____ RECORDED __/__/20__ IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO;

THENCE ALONG THE NORTH LINE OF SAID RIGHT OF WAY, SOUTH 89°32'57" WEST 335.13 FEET TO THE WESTERLY LINE OF THE SOUTHEASTERLY QUARTER OF THE SOUTHEASTERLY QUARTER OF THE SOUTHEASTERLY QUARTER OF SECTION 18;

THENCE NORTH 00°22'19" WEST 10.00 FEET;

THENCE NORTH 89°32'57" EAST 335.09 FEET;

THENCE SOUTH 00°35'43" EAST 10.00 FEET TO THE **POINT OF BEGINNING.**

CONTAINS 3,351 SQUARE FEET, MORE OR LESS.

EXHIBIT "B": ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

APN: 0239-081-24

THE ABOVE DESCRIPTION WAS PREPARED UNDER MY DIRECTION.



ROBERT SCIPIOBLUME
P.L.S. No. 9154
EXPIRATION DATE: 3/31/2021
JN: 325-914

11/7/21

DATE



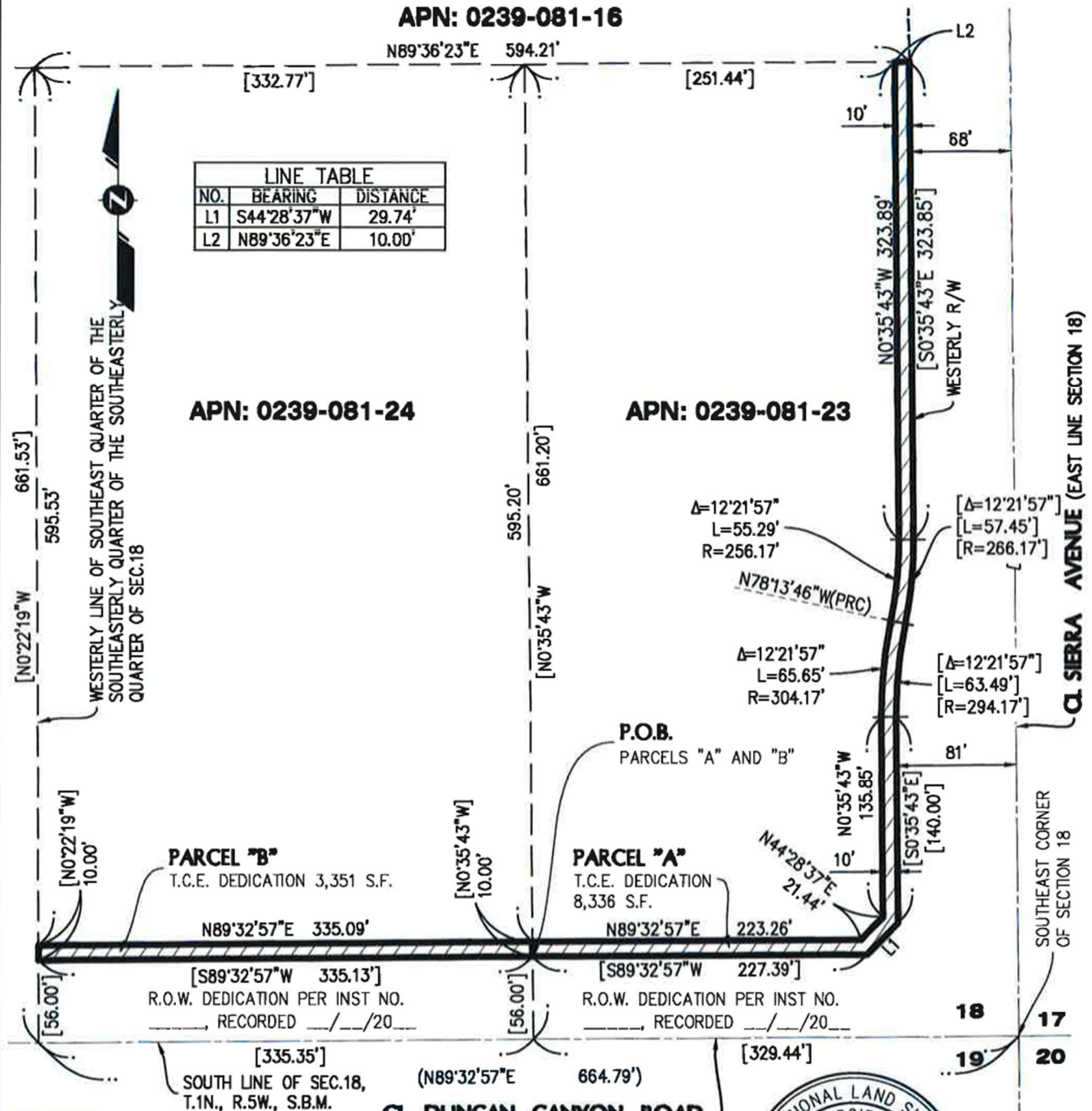
EXHIBIT "B"
TEMPORARY CONSTRUCTION EASEMENT
DUNCAN CANYON ROAD

APN: 0239-081-16

LINE TABLE		
NO.	BEARING	DISTANCE
L1	S44°28'37"W	29.74'
L2	N89°36'23"E	10.00'

APN: 0239-081-24

APN: 0239-081-23



PREPARED BY: K&A ENGINEERING
357 N. SHERIDAN ST.
CORONA, CA 92880

EXHIBIT "A"

**LEGAL DESCRIPTION
STREET DEDICATION
DUNCAN CANYON ROAD (WEST OF SIERRA AVENUE)**

THE FOLLOWING DESCRIBED REAL PROPERTIES ARE SITUATED IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, BEING A PORTION OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4, OF SECTION 18, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL "A"

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 18, SAID POINT ALSO BEING THE CENTERLINE INTERSECTION OF SIERRA AVENUE AND DUNCAN CANYON ROAD;

THENCE ALONG THE SOUTH LINE OF SAID SECTION 18, SOUTH 89°32'57" WEST 102.19 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF SAID SIERRA AVENUE, SAID POINT BEING THE **TRUE POINT OF BEGINNING**;

THENCE CONTINUING ALONG SAID SOUTH LINE, SOUTH 89°32'57" WEST 227.25 FEET;

THENCE LEAVING SAID SOUTH LINE, NORTH 00°35'43" WEST 54.00 FEET TO A POINT ON A LINE, PARALLEL WITH AND 54.00 FEET NORTHERLY, MEASURED AT RIGHT ANGLES, FROM SAID SOUTH LINE;

THENCE ALONG SAID PARALLEL LINE, NORTH 89°32'57" EAST 227.39 FEET;

THENCE NORTH 44°28'37" EAST 29.74 FEET;

THENCE NORTH 0°35'43" WEST 140.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTELRY HAVING A RADIUS OF 294.17 FEET;

THENCE NORTHERLY ALONG SAID CURVE, 63.49 FEET THROUGH A CENTRAL ANGLE OF 12°21'57" TO THE BEGINNING OF A REVERSE CURVE CONCAVE WESTERLY HAVING A RADIUS OF 266.17 FEET TO WHICH A RADIAL LINE BEARS NORTH 78°13'46" WEST;

THENCE NORTHERLY ALONG SAID CURVE, 57.45 FEET THROUGH A CENTRAL ANGLE OF 12°21'57";

THENCE NORTH 0°35'43" WEST 323.85 FEET;

THENCE NORTH 89°36'23" EAST 2.00 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF SIERRA AVENUE (66.00 FEET HALF WIDTH);

THENCE ALONG SAID WESTERLY RIGHT OF WAY LINE, SOUTH 0°35'43" EAST 323.85 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTELRY HAVING A RADIUS OF 268.17 FEET;

THENCE SOUTHERLY ALONG SAID CURVE AND WESTERLY RIGHT OF WAY LINE, 57.88 FEET THROUGH A CENTRAL ANGLE OF 12°21'57" TO THE BEGINNING OF A REVERSE CURVE CONCAVE EASTERLY HAVING A RADIUS OF 292.17 FEET TO WHICH A RADIAL LINE BEARS NORTH 78°13'46" WEST;

THENCE SOUTHERLY ALONG SAID CURVE AND WESTERLY RIGHT OF WAY LINE, 63.06 FEET THROUGH A CENTRAL ANGLE OF 12°21'57";

THENCE CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE, SOUTH 0°35'43" EAST 140.00 FEET;

THENCE CONTINUING ALONG SAID SOUTHWESTERLY RIGHT OF WAY LINE, SOUTH 44°28'37" WEST 32.57 FEET;

THENCE SOUTH 00°27'03" EAST 54.00 FEET TO THE **TRUE POINT OF BEGINNING**.

CONTAINS 13,943 SQUARE FEET, MORE OR LESS.

PARCEL "B"

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 18, SAID POINT ALSO BEING THE CENTERLINE INTERSECTION OF SIERRA AVENUE AND DUNCAN CANYON ROAD;

THENCE, ALONG THE SOUTH LINE OF SAID SECTION 18, SOUTH 89°32'57" WEST 329.44 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE CONTINUING ALONG SAID SOUTH LINE, SOUTH 89°32'57" WEST 335.35 FEET TO THE WESTERLY LINE OF THE SOUTHEASTERLY QUARTER OF THE SOUTHEASTERLY QUARTER OF THE SOUTHEASTERLY QUARTER OF SECTION 18;

THENCE LEAVING SAID SOUTH LINE, NORTH 00°22'19" WEST 56.00 FEET ALONG SAID WESTERLY LINE TO A POINT ON A LINE, PARALLEL WITH AND 56.00 FEET NORTHERLY, MEASURED AT RIGHT ANGLES, FROM SAID SOUTH LINE;

THENCE ALONG SAID PARALLEL LINE, NORTH 89°32'57" EAST 335.13 FEET;

THENCE LEAVING SAID PARALLEL LINE, SOUTH 00°35'43" EAST 56.00 FEET TO THE **TRUE POINT OF BEGINNING**.

CONTAINS 18,774 SQUARE FEET, MORE OR LESS.

EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

THE ABOVE DESCRIPTION WAS PREPARED UNDER MY DIRECTION.



2/22/21

ROBERT SCIPIOBLUME
P.L.S. No. 9154
EXPIRATION DATE: 3/31/2021
JN: 325-914

DATE



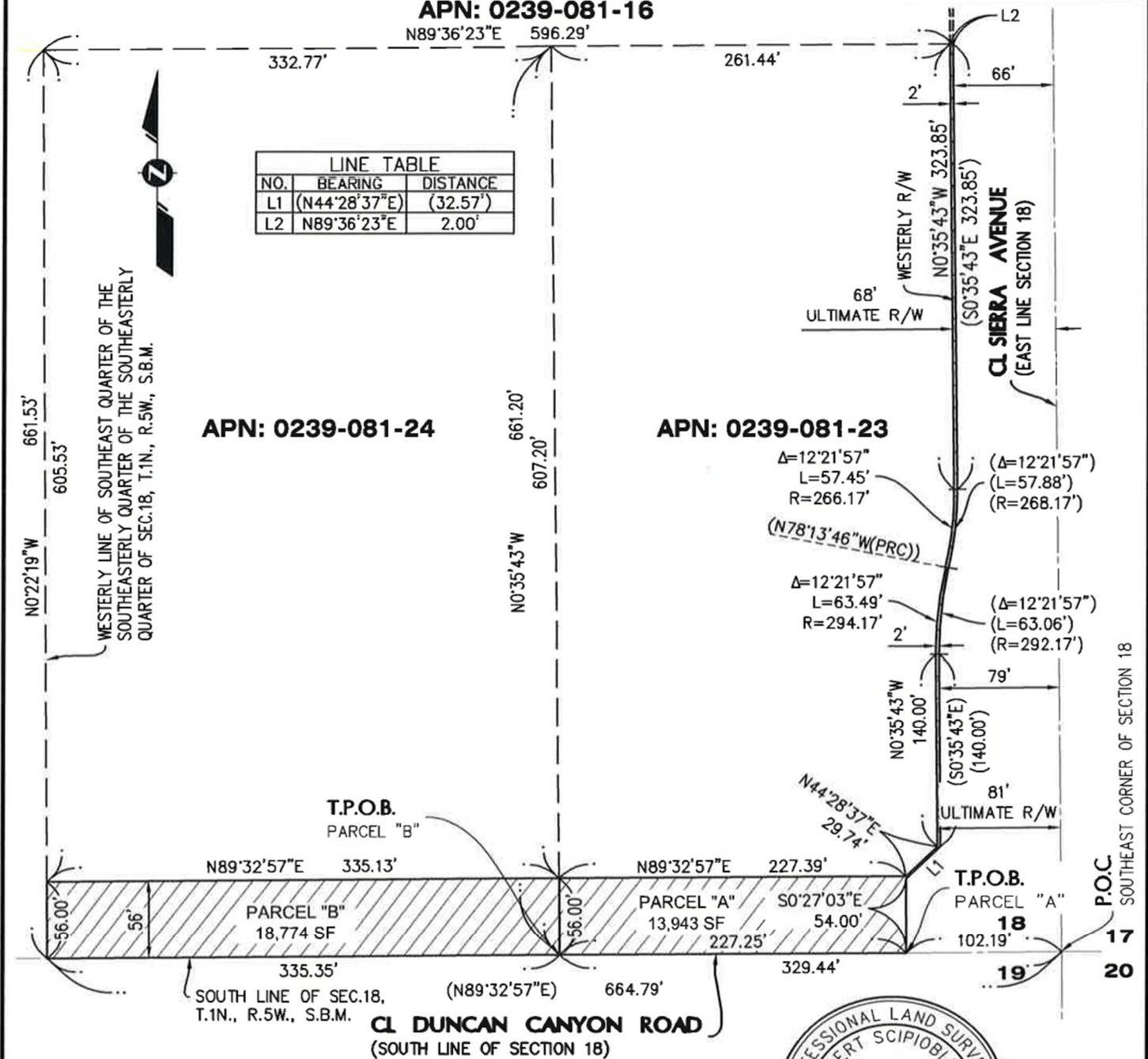
EXHIBIT "B"
STREET DEDICATION
DUNCAN CANYON ROAD

APN: 0239-081-16

LINE TABLE		
NO.	BEARING	DISTANCE
L1	(N44°28'37"E)	(32.57')
L2	N89°36'23"E	2.00'

APN: 0239-081-24

APN: 0239-081-23



LEGEND:

() RECORD DATA PER INST NO.
2012-0332142 RECORDED 8/17/2012

INDICATES DEDICATION



SCALE: 1"=100'

APN: 0239-081-24

SECTION 18 TOWNSHIP 1 NORTH, RANGE 5 WEST, S.B.M.

DATE EXHIBIT PREPARED: OCTOBER 26, 2020

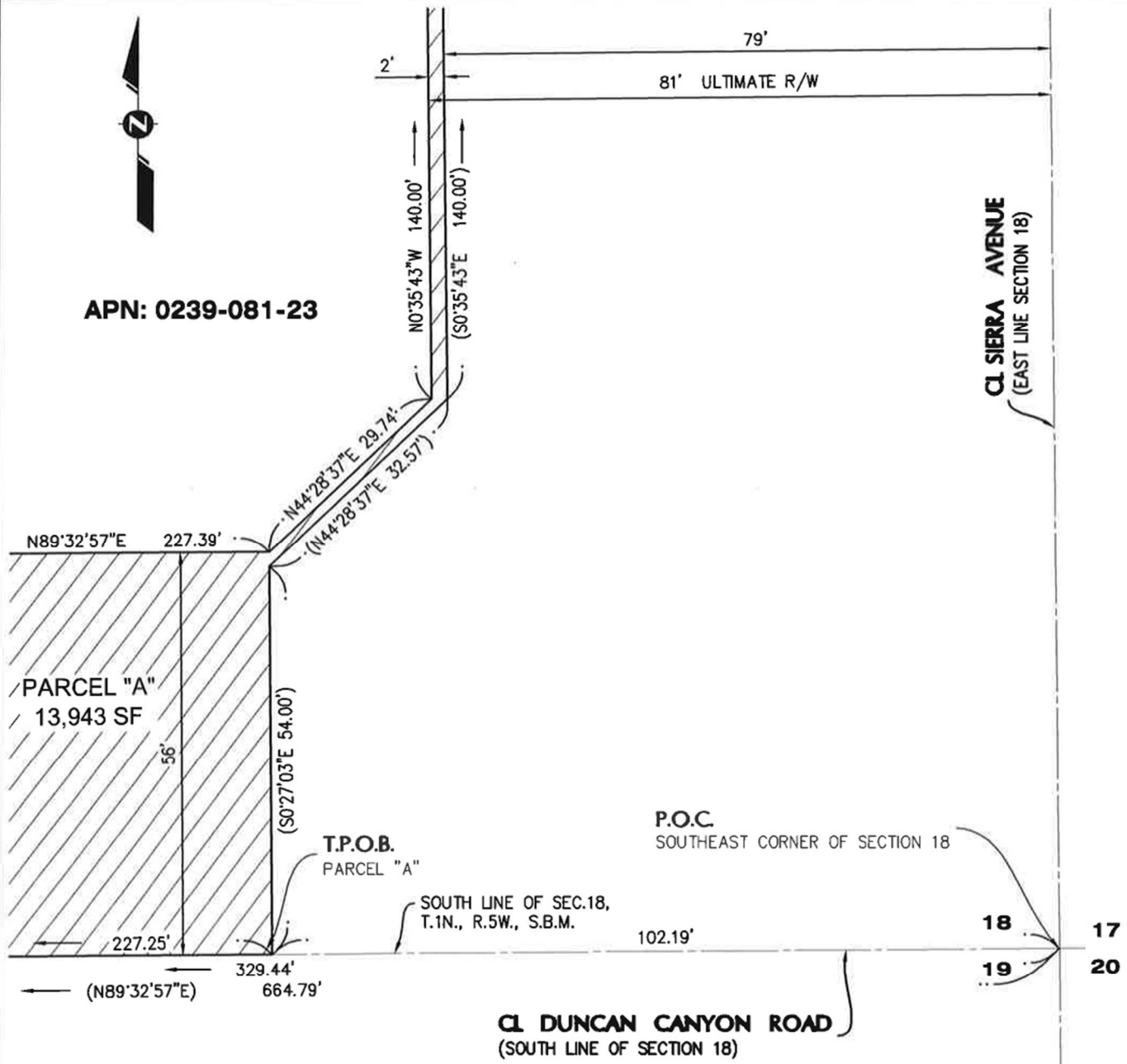
AREA:

PARCEL "A" - 13,943 ± SQUARE FEET
PARCEL "B" - 18,774 ± SQUARE FEET

PREPARED BY: K&A ENGINEERING
357 N. SHERIDAN ST.
CORONA, CA 92880

EXHIBIT "B"
STREET DEDICATION
DUNCAN CANYON ROAD

APN: 0239-081-23



PREPARED BY: K&A ENGINEERING
357 N. SHERIDAN ST.
CORONA, CA 92880

SCALE: 1"=20'
APN: 0239-081-24
SECTION 18 TOWNSHIP 1 NORTH, RANGE 5 WEST, S.B.M.
DATE EXHIBIT PREPARED: OCTOBER 26, 2020

EXHIBIT "A"

**LEGAL DESCRIPTION
EASEMENT DEED
SIERRA AVENUE & DUNCAN CANYON ROAD**

THE FOLLOWING DESCRIBED REAL PROPERTY IS SITUATED IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, BEING A PORTION OF THE NORTHWEST 1/4, OF THE NORTHWEST 1/4, OF THE NORTHWEST 1/4, OF SECTION 20, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL "A"

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 20, SAID CORNER ALSO BEING THE CENTERLINE INTERSECTION OF SIERRA AVENUE AND DUNCAN CANYON ROAD;

THENCE ALONG THE NORTH LINE OF SAID SECTION 20, NORTH 89°32'31" EAST 94.33 FEET;

THENCE LEAVING SAID NORTH LINE, SOUTH 00°27'29" EAST 36.99 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF DUNCAN CANYON ROAD, SAID POINT ALSO BEING A POINT ON THE SOUTHERLY LINE OF THAT CERTAIN PARCEL OF LAND AS DESCRIBED IN A DOCUMENT RECORDED OCTOBER 04, 2013 AS INSTRUMENT No. 2013-0434183 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT ALSO BEING THE **TRUE POINT OF BEGINNING**;

THENCE LEAVING SAID SOUTHERLY LINE, THE FOLLOWING FIVE (5) COURSES:

SOUTH 00°27'29" EAST 12.02 FEET;

SOUTH 89°32'41" WEST 5.00 FEET;

SOUTH 45°40'57" WEST 32.18 FEET;

SOUTH 00°33'44" EAST 5.00 FEET;

SOUTH 89°26'16" WEST 5.38 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF SIERRA AVENUE, SAID POINT ALSO BEING A POINT ON THE EASTERLY LINE OF SAID INSTRUMENT No. 2013-0434183;

THENCE ALONG SAID RIGHT-OF-WAY LINE, NORTH 03°29'16" EAST 6.07 FEET TO AN ANGLE POINT;

THENCE NORTH 00°33'41" WEST 18.44 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 34.50 FEET, A RADIAL LINE TO SAID BEGINNING BEARS NORTH 54°39'55" WEST;

THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 54°22'41", AN ARC LENGTH OF 32.74 FEET TO A POINT ON SAID SOUTHERLY RIGHT-OF-WAY;

EXHIBIT "A"

**LEGAL DESCRIPTION
EASEMENT DEED**

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY, NORTH 83°49'52" EAST 5.13 FEET TO THE **TRUE POINT OF BEGINNING**.

CONTAINS 659 SQUARE FEET, MORE OR LESS.

THE ABOVE DESCRIBED DEDICATION IS SHOWN ON THE MAP ATTACHED HERewith AND MADE A PART HEREOF, ENTITLED EXHIBIT "B".

THE ABOVE DESCRIPTION WAS PREPARED UNDER MY DIRECTION.



ROBERT SCIPIOBLUME

P.L.S. No. 9154

EXPIRATION DATE: 3/31/2021

JN: 325-914

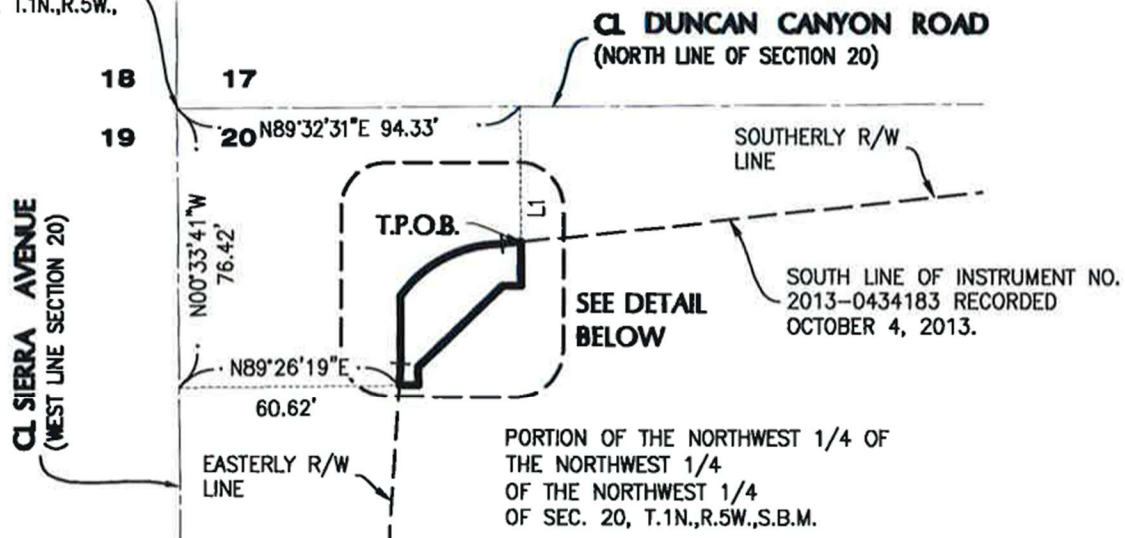
11/7/21
DATE



EXHIBIT "B"
STREET DEDICATION
SIERRA AVENUE AND DUNCAN CANYON ROAD

P.O.C.

N/W CORNER OF
 SEC. 20, T.1N.,R.5W.,
 S.B.M.

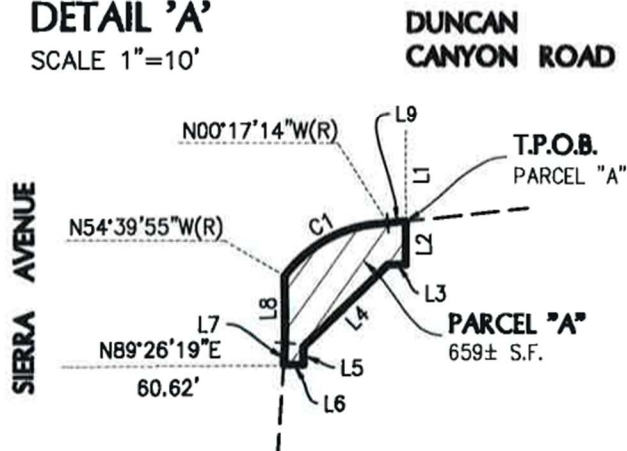


CURVE TABLE

CURVE	DELTA	RADIUS	LENGTH
C1	(54°22'41")	(34.50')	(32.74')

DETAIL 'A'

SCALE 1"=10'



LINE TABLE

LINE	BEARING	LENGTH
L1	N00°27'29"W	36.99'
L2	S00°27'29"E	12.02'
L3	S89°32'41"W	5.00'
L4	S45°40'57"W	32.18'
L5	S00°33'44"E	5.00'
L6	S89°26'16"W	5.38'
L7	(N03°29'16"E)	6.07'
L8	(N00°33'41"W)	(18.44')
L9	(N83°49'52"E)	5.13'

AREA:

PARCEL "A" - 659 ± SQUARE FEET

LEGEND:

() RECORD DATA PER INST. NO. 2013-0434183
 RECORDED 10/4/2013



INDICATES DEDICATION



1/7/21

SCALE: 1"=50'

APN: 0239-015-18

SECTION 18 TOWNSHIP 1 NORTH, RANGE 5 WEST, S.B.M.

DATE EXHIBIT PREPARED: OCTOBER 26, 2020

PREPARED BY: **K&A ENGINEERING**
 357 N. SHERIDAN ST.
 CORONA, CA 92880

EXHIBIT "A"

**LEGAL DESCRIPTION
TEMPORARY CONSTRUCTION EASEMENT
SIERRA AVENUE & DUNCAN CANYON ROAD**

THE FOLLOWING DESCRIBED REAL PROPERTY IS SITUATED IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, BEING A PORTION OF THE NORTHWEST 1/4, OF THE NORTHWEST 1/4, OF THE NORTHWEST 1/4, OF SECTION 20, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL "A"

BEGINNING AT THE NORTHWESTERLY CORNER OF THE MOST NORTHERLY LINE OF THE RIGHT OF WAY DEDICATED PER INSTRUMENT NO. ____-____ RECORDED __/__/20__ IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO;

THENCE ALONG SAID RIGHT OF WAY LINE, NORTH 83°49'52" EAST 10.05 FEET;

THENCE SOUTH 00°27'29" EAST 12.47 FEET;

THENCE SOUTH 45°40'57" WEST 54.62 FEET;

THENCE SOUTH 89°26'16" WEST 4.88 FEET;

THENCE NORTH 03°29'16" EAST 10.03 FEET;

THENCE NORTH 89°26'16" EAST 5.38 FEET;

THENCE NORTH 00°33'44" WEST 5.00 FEET;

THENCE NORTH 45°40'57" EAST 32.18 FEET;

THENCE NORTH 89°32'41" EAST 5.00 FEET;

THENCE NORTH 00°27'29" WEST 12.02 FEET TO THE **POINT OF BEGINNING**.

EXHIBIT "A"

**LEGAL DESCRIPTION
TEMPORARY CONSTRUCTION EASEMENT**

CONTAINS 603 SQUARE FEET, MORE OR LESS.

THE ABOVE DESCRIBED DEDICATION IS SHOWN ON THE MAP ATTACHED HERewith AND MADE A PART
HEREOF, ENTITLED EXHIBIT "B"

THE ABOVE DESCRIPTION WAS PREPARED UNDER MY DIRECTION.



ROBERT SCIPIOBLUME

P.L.S. No. 9154

EXPIRATION DATE: 3/31/2021

JN: 325-914

1/7/21

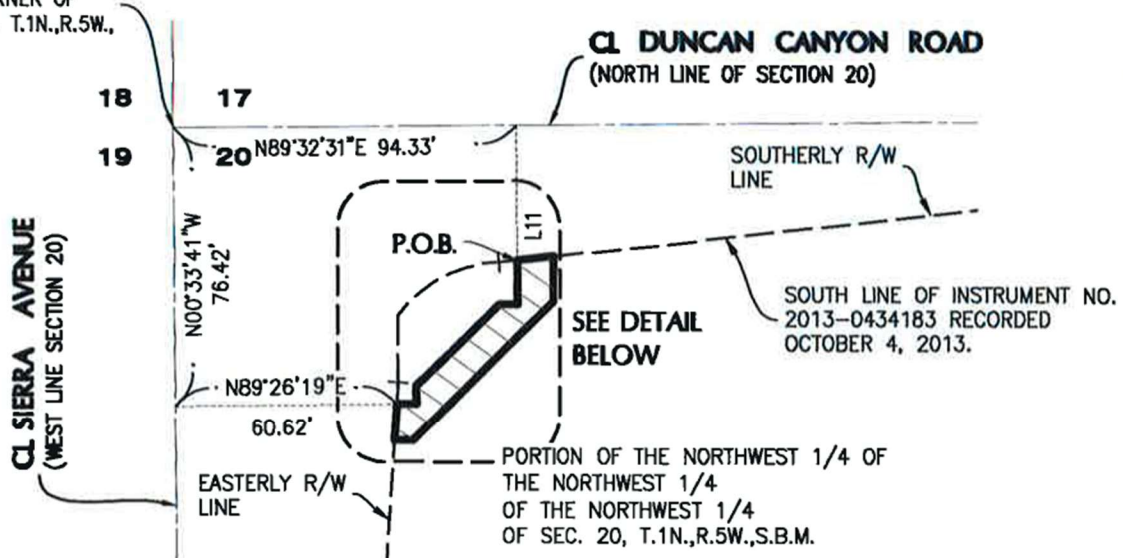
DATE



EXHIBIT "B"
TEMPORARY CONSTRUCTION EASEMENT
SIERRA AVENUE AND DUNCAN CANYON ROAD

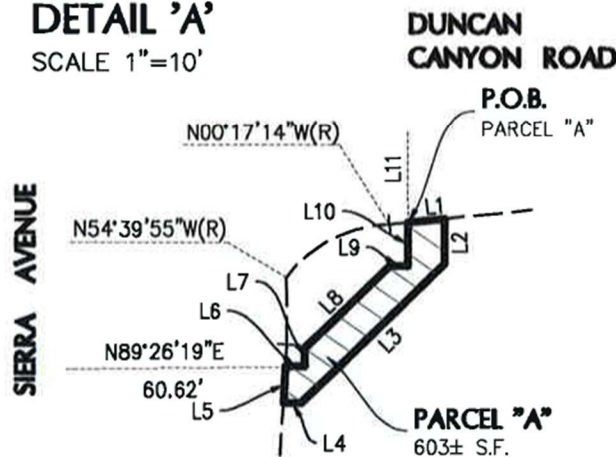
P.O.C.

N/W CORNER OF
 SEC. 20, T.1N., R.5W.,
 S.B.M.



DETAIL 'A'

SCALE 1"=10'



LINE TABLE		
LINE	BEARING	LENGTH
L1	[N89°49'52"E]	10.05'
L2	S00°27'29"E	12.47'
L3	S45°40'57"W	54.62'
L4	S89°26'16"W	4.88'
L5	(N03°29'16"E)	10.03'
L6	[N89°26'16"E]	[5.38']
L7	[N00°33'44"W]	[5.00']
L8	[N45°40'57"E]	[32.18']
L9	[N89°32'41"E]	[5.00']
L10	[N00°27'29"W]	[12.02']
L11	[N00°27'29"W]	[36.99']

LEGEND:

() RECORD DATA PER INST. NO. 2013-0434183
 RECORDED 10/4/2013

[] RECORD DATA PER INST. NO. _____



INDICATES TEMPORARY
 CONSTRUCTION EASEMENT

AREA:

PARCEL "A" - 603 ± SQUARE FEET

PREPARED BY: K&A ENGINEERING
 357 N. SHERIDAN ST.
 CORONA, CA 92880



SCALE: 1"=50'

APN: 0239-015-18

SECTION 18 TOWNSHIP 1 NORTH, RANGE 5 WEST, S.B.M.
 DATE EXHIBIT PREPARED: OCTOBER 26, 2020