

Contract Nos.: _____
Approved: _____

WATER DIF CREDIT RECONCILIATION THROUGH MAY 31, 2025 FOR THE FOLLOWING AGREEMENTS:

1. **CONTRACT NO 2024-236 (Projects Constructed 2004-2019)**
 2. **CONTRACT NO. 2022-029 (Pine Avenue – Stages 1-4)**
 3. **CONTRACT NO. 2022-163 (Town Center Tract 16420-3)**
 4. **CONTRACT NO. 2023-249 (Block 9 Independence Tract 16420-4)**
 5. **CONTRACT NO.2024-277 (Block 3A Tr 16420-4)**
 6. **CONTRACT NO. 2026-209 (Block 11 Tract 16420)**
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THIS WATER DIF CREDIT RECONCILIATION (the “**Reconciliation**”) is made and entered into this ___ day of _____, 20__ (the “**Reconciliation Date**”) by and between the CITY OF CHINO, a California municipal corporation (“**City**”) and CHINO DEVELOPMENT CORPORATION, a California corporation and CHINO PRESERVE DEVELOPMENT CORPORATION, a California Corporation (collectively, “**Developer**”). City and Developer are sometimes hereinafter referred to individually as “**Party**” and jointly as “**Parties**”. All capitalized terms used and not defined herein, shall have that definition ascribed to it in the Water DIF Agreements (defined below).

RECITALS

WHEREAS, City and Developer entered into that certain Contract No. 2024-236 (Projects Constructed 2004-2019) (the “**2024-236 Water DIF Agreement**”) whereby the City agreed to reimburse Developer for the design and construction of various public water improvements required within The Preserve Specific Plan by the Preserve Development Agreement No. 2004-073 which improvements are described in the 2024-236 Water DIF Agreement. For the purposes of this Reconciliation all of those water improvements described in the 2024-236 Water DIF Agreement are collectively referred to as the “**2024-236 Water DIF Improvements**”. All of the 2024-236 Water DIF Improvements have been completed and accepted by the City for which Water DIF Credits in the total amount of \$28,753,683.02 were provided to Developer under the Water DIF Agreements as identified in **Exhibit 1** attached hereto.

WHEREAS, City and Developer subsequently entered into the following additional contracts for the design and construction of additional public water improvements required within The Preserve Specific Plan by the Preserve Development Agreement No. 2004-073 for the Developer Properties covered by these additional contracts (the “**Additional Water DIF Agreements**”):

- *CONTRACT NO. 2022-029 (Pine Ave Stages 1-3,4)*
 - *CONTRACT NO. 2022-163 (Town Center Tract 16420-3)*
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- *CONTRACT NO. 2023-249 (Block 9 Independence Tract 16420-4)*
- *CONTRACT NO.2024-277 (Block 3A Tr 16420-4)*
- *CONTRACT NO. 2026-209 (Block11 Tract 16420)*

WHEREAS, the water improvements required under the Additional Water DIF Agreements (the “**Additional Water DIF Improvements**”) have not yet been completed and accepted by the City (except for \$958,507.52 of those Additional Water DIF Improvements under Contract No. 2022-163 (Town Center Tract 16420-3)). Water DIF Credits in the total amount of the costs for those Additional Water DIF Improvements when approved by the City will be provided to Developer under the Additional Water DIF Agreements; the total current estimated costs of those Additional Water DIF Improvements is \$5,713,543 which is identified in **Exhibit 2** attached hereto of which \$958,507.52 in actual costs from Contract No. 2022-163 have been submitted to the City as identified in **Exhibit 1** and **Exhibit 2** attached hereto.

WHEREAS, pursuant to Section 4 of the 2024-236 Water DIF Agreement, City and Developer met for the purpose of ascertaining the total amount Credits to the Water DIFs that have been issued by City to the Developer after the Effective Dates of the Water DIF Agreements and the Additional Water DIF Agreements for Developer's Properties, the amount of any cash reimbursements made to Developer, and the remaining amount of the Water DIFs held by the City through and including May 31, 2025.

RECONCILIATION

NOW, THEREFORE, the Parties agree as follows:

1.
 - (a) Water DIF Credit and Reimbursement Reconciliation. As identified in **Exhibit 1** of this Reconciliation, the total Water DIF Credits provided to Developer under the 2024-236 Water DIF Agreement and under Contract No. 2022-163 (Town Center Tract 16420-3) was \$29,712,190.54 and \$29,331,909.27 of those Water DIF Credits have been used for all of those Developer Properties listed on **Exhibit 3** attached hereto. No DIF Credits will be awarded under the Additional Water DIF Agreements (except \$958,507.52 of those Additional Water DIF Improvements under Contract No. 2022-163 previously submitted to the City), until the Additional Water DIF Improvements required by the Additional Water DIF Agreements are completed and accepted by the City. The Remaining Water DIF Credit and Reimbursement Amount through May 31, 2025 is \$380,281.27 as identified in **Exhibit 1** (the “**Remaining Credit Balance**”). The Remaining Credit Balance does not include the balance of the Water DIF Credits to be awarded under the Additional Water DIF Agreements, estimated to be \$5,713,543 (less the \$958,507.52 in DIF Credits already awarded under Contract No. 2022-163), as set forth in **Exhibit 2** attached.
 - (b) Updated DIF Credit Addendum. **Exhibit 3** of the 2024-236 Water DIF Agreement is hereby deleted and replaced with **Exhibit 4** attached hereto.
 2. **WARRANTY RE ABSENCE OF DEFAULTS**. Developer represents and warrants to City that, as of the Reconciliation Date, Developer is not in default of any material term of the 2024-236 Water DIF Agreement or the Additional Water DIF Agreements (collectively, the “**Agreements**”), and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreements by Developer.
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3. COUNTERPARTS. This Reconciliation may be executed in multiple identical counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]



IN WITNESS WHEREOF, the parties have caused this Reconciliation to be executed as of the day and year first above written.

DEVELOPER

CHINO DEVELOPMENT CORPORATION,
a California corporation

Bryan Goodman
Its: _____

CHINO PRESERVE DEVELOPMENT
CORPORATION, a California corporation

Bryan Goodman
Its: _____

CITY

CITY OF CHINO, a municipal corporation

Linda Reich
City Manager

ATTEST:

Natalie Gonzaga
City Clerk

APPROVED AS TO CONTENT:

Hye Jin Lee
Director of Public Works

APPROVED AS TO FORM:

Fred Galante
City Attorney

EXHIBIT 1

Water DIF Credit Summary

Contract 2024-236

Contracts 2022-029, 2022-163, 2023-249, 2024-277, and Block 11 Tract 16420

Contract 2024-23 Water DIF Construction Credits	\$ 28,753,683.02
Contract 2022-163 Water DIF Construction Credits[1]	\$ 958,507.52
Contracts 2022-029, 2022-163, 2023-249, 2024-277, 2026-209	<u>\$ -</u>
Total DIF Construction Credits	\$ 29,712,190.54
DIF Credits used to 5/31/25	<u>\$(29,331,909.27)</u>
Remaining Water DIF Credits Contracts 2024-23 & 2022-163	\$ 380,281.27

[1] \$958,507.52 of costs under Contract 2022-163 (Town Center Tract 16420-3 have been submitted to the City)

EXHIBIT 2

Water DIF Credit Summary
Contracts 2022-029, 2022-163, 2023-249, 2024-277 and Block 11 Tract 16420

Additional DIF Contracts	DIF Est. Water Costs	Submitted-Actual Cost
2022-029 Pine Stages 1-4	\$748,463	\$958,507.52
2022-163 Town Center	\$2,707,887	
2023-249 Block 9 Independence	\$1,123,700	
2024-277 Block 3A	\$425,331	
2026-209 Block 11	\$708,162	
Total	\$5,713,543	\$958,507.52

Note: \$958,507.52 of costs for Additional Water Improvements under Contract No. 2022-163 have been submitted to the City and Water DIF Credits in that amount have been included in **Exhibit 1**. All other Water DIF Credits from Contracts 2022-029, 2022-163, 2023-249, 2024-277, and Block 11 Tract 16420 will be available to Developer as the Water DIF Improvements required by those Contracts are completed and accepted by the City.

EXHIBIT 3**List of Preserve Projects Where Water DIFs Used Through May 31, 2025**

Tract	Builder	Project	Density	Units	Total Amount
16420.1	LMC	HCP Maintenance Bldg	SF	-	\$ (7,020.72)
		HCP Pool Bldg	SF	-	\$ (2,998.80)
		HCP Rec Center Bldg	SF	-	\$ (40,511.28)
		Homecoming- Ph 1	HDR	152	\$ (606,176.00)
		Homecoming- Ph 2	HDR	189	\$ (753,732.00)
		Homecoming- Ph 3	HDR	458	\$ (1,826,504.00)
16420.3	LMC	Town Center - Chipotle	SF	-	\$ (14,654.76)
		Town Center - Panera	SF	-	\$ (21,493.26)
		Town Center - Retail 2	SF	-	\$ (68,800.56)
		Town Center - Retail 3A	SF	-	\$ (29,942.45)
		Town Center - Retail 3B	SF	-	\$ (36,491.42)
		Town Center - Retail 4	SF	-	\$ (32,509.92)
		Town Center - Retail 5	SF	-	\$ (36,312.00)
		Town Center - Retail 6	SF	-	\$ (55,070.35)
		Town Center - Retail 7	SF	-	\$ (15,379.20)
		Town Center - Retail 8	SF	-	\$ (15,379.20)
		Town Center - Stater Bros	SF	-	\$ (196,977.65)
16420.6	LMC	Club on Main - A3 Hall	SF	-	\$ (12,437.72)
		Club on Main - B-Office	SF	-	\$ (21,753.50)
16519	John Laing	Secret Garden	MDR	84	\$ (341,751.00)
16520	Lennar	Garden Glen I	LDR	51	\$ (294,879.00)
16521	K. Hovnanian	Ten Bloom Road	MDR	69	\$ (274,091.00)
16522	Centex	Canterbury Grove I	LDR	48	\$ (277,957.00)
16523	Shea	Iris	LDR	61	\$ (346,989.00)
17148	Standard Pac	Hidden Hollow	MDR	81	\$ (360,355.00)
17149	Standard Pac	Shady Lane	MDR	60	\$ (266,008.00)
17150	Shea	Enchanted Forest	LDR	55	\$ (333,575.00)
17266	Pardee	Candlewood	LDR	64	\$ (411,161.00)
17357	KB	Evergreen	MDR	58	\$ (237,350.00)
17390	Brookfield	Mulberry - Casita	MDR	126	\$ (535,745.00)
17514	Centex	Citrus Commons	HDR	118	\$ (299,838.00)
17515	Centex	Agave	MDR	104	\$ (425,740.00)
17571	Western Nat.	Affordable Apartments	HDR	250	\$ (690,500.00)
17574	Cal Atlantic	Amelia (stark)	MDR	110	\$ (543,840.00)
17610	Centex	Canterbury Grove II	LDR	48	\$ (291,120.00)
17611	KB	Cantana	MDR	21	\$ (92,211.00)
17612	KB	Ariatta	MDR	42	\$ (184,422.00)

17613	Lennar	Garden Glen II	LDR	51	\$ (309,315.00)
17616	Shea	Tetherwind	MDR	162	\$ (690,120.00)
17635	Woodside	Palisades	LDR	79	\$ (546,990.00)
18479	Richmond	Harvest Lot 10 & 12	LDR	68	\$ (453,324.00)
18693	KB	Lynbrook	MDR	114	\$ (500,574.00)
18778	K. Hovnanian	Sonata	MDR	65	\$ (285,415.00)
18890	William Lyon	Laurel Lane (Deboer)	MDR	70	\$ (342,367.00)
19749	7 Eleven	Mill Creek - Gas Station	SF	-	\$ (12,989.50)
	Boos Dev.	Mill Creek - Jiffy Lube	SF	-	\$ (16,853.15)
	DL Pine	Mill Creek - Car Wash	SF	-	\$ (21,231.40)
19935	Richmond	Harvest Lot 11 - Vineyard	LDR	73	\$ (485,736.00)
		Harvest North Rec Ctr	SF	-	\$ (4,155.25)
		Harvest South Rec Ctr	SF	-	\$ (4,757.00)
19936	Woodside	Harvest Lot 4	LDR	56	\$ (393,960.00)
19946	Lennar	Harvest Lot 1	MDR	30	\$ (148,320.00)
19947	Richmond	Harvest Lot 2	MDR	42	\$ (207,648.00)
19948	Lennar	Harvest Lot 3	MDR	27	\$ (133,488.00)
19949	Lennar	Harvest Lot 5	MDR	82	\$ (405,408.00)
19950	Richmond	Harvest Lot 6 - Heirloom	MDR	62	\$ (306,528.00)
19951	Lennar	Harvest Lots 7 & 9	MDRD	93	\$ (606,360.00)
19952	Lennar	Harvest Lot 8	MDRD	57	\$ (371,640.00)
19953	Richmond	Harvest Lot 10 & 12	LDR	10	\$ (65,952.00)
19980	LMC	Homecoming- Ph 4	HDR	454	\$ (2,038,460.00)
20102	TriPointe	Lot 14/15 - Hazel	HDR20	133	\$ (749,217.00)
20102.1	TriPointe	Lot 14/15 - Ivy	HDR20	113	\$ (638,397.00)
		Lot 14/15 - Ivy II AG Buffer	HDR20	21	\$ (119,889.00)
20165	Century	PA 5 Greenway	LDR	79	\$ (529,932.00)
20166	KB Home	PA 4 Driftstone	LDR	69	\$ (462,852.00)
20167	Lennar	Voyage PA1	LDR	60	\$ (402,480.00)
20168	Richmond	Parklin PA2&3	LDR	68	\$ (456,144.00)
20170	Richmond	PA-3 Liberty - Gardenside	MDRD	80	\$ (536,640.00)
20171	TriPointe	PA-2/8/9 Bungalow - Delia	MDRA	123	\$ (702,207.00)
20172	Pulte	PA-4 - Monarch	MDRD	76	\$ (509,808.00)
20173	Beazer	PA-6/7 Zinnia	MDRA	143	\$ (980,053.00)
20231	Lennar	Lot 11 - Morning Sun	HDR20	106	\$ (605,154.00)
20232	William Lyon	Lot 11 - Verbena	HDR20	70	\$ (399,630.00)
20248	Lennar	Voyage PA6&7	LDR	56	\$ (375,648.00)
20249	Richmond	Parklin PA8&9	LDR	56	\$ (375,648.00)
20270	Richmond	PA-5 Liberty - Gardenside	MDRD	36	\$ (241,488.00)
20326	LMC	Homecoming- Ph 5	HDR20	184	\$ (1,050,456.00)
20380	LMC	Independence	HDR20	208	\$ (1,187,472.00)
		Independence Office	SF	-	\$ (9,162.88)

		Independence Pool	SF	-	\$ (1,765.30)
20446	TruMark	Block 3A 55x100	LDR	31	\$ (289,602.00)
20446.1	Century	Block 3A 50x100	LDR	38	\$ (354,996.00)
			Totals	5,594	\$ (29,331,909.27)

EXHIBIT 4

DIF CREDIT ADDENDUM

**ADDENDUM NO. 1
(Assignment of Credit)**

❖ DIF Credit and Reimbursement Summary:

	Total Credit Amount	Credits and Reimbursements Applied	Balance
	\$ 29,712,190.54	(\$29,331,909.27)	\$380,281.27
	Balance	Credits Assigned	Balance Forward
Assigned DIF Credit	\$		

Chino Preserve Development Corporation is hereby transferring DIF *Credit* in the amount of \$_____ to:

❖ Assignee: _____

❖ Credit Transfer Amount: \$ _____

❖ Remaining Credit: \$ _____

"Any transfer or assignment of credits or reimbursement rights acknowledged in this Addendum shall be made in accordance with City procedures, on a form approved by and acknowledged by the City. All parties to this Addendum agree that City will have no obligation to recognize or honor an assignment or transfer that does not comply with the terms of this Addendum."
