

Contract Nos.: \_\_\_\_\_  
Approved: \_\_\_\_\_

**STORM DRAIN DIF CREDIT RECONCILIATION THROUGH MAY 31, 2025 FOR THE FOLLOWING AGREEMENTS:**

1. **CONTRACT NO 2016-118 (Phase I - The Preserve)**
2. **CONTRACT NO. 2024-235 (Line F, Line B, & Line H)**
3. **CONTRACT NO. 2022-163 (Town Center Tract Map No. 16420-3)**
4. **CONTRACT NO. 2023-249 (Block 9 Independence Tract Map No. 16420-4)**
5. **CONTRACT NO. 2024-277 (Block 3A Tract Map No. 16420-4)**
6. **CONTRACT NO. 2026-209 (Block 11 Tract Map No. 16420)**

**AND**

**FIRST AMENDMENT TO CONSTRUCTION CREDIT AND REIMBURSEMENT AGREEMENT FOR THE PRESERVE STORM DRAIN (CONTRACT NO. 2024-235)**

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THIS STORM DRAIN DIF CREDIT RECONCILIATION (“**Reconciliation**”) and FIRST AMENDMENT TO CONSTRUCTION CREDIT AND REIMBURSEMENT AGREEMENT FOR THE PRESERVE STORM DRAIN (CONTRACT NO. 2024-235) (“**Amendment**”) is made and entered into this 16<sup>TH</sup> day of June, 2026 (“**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 Agreement (defined below).

**RECITALS**

WHEREAS, City and Developer entered into: (i) that certain Contact No. 2016-118 on June 16, 2015 (the “**2016-118 Storm Drain DIF Agreement**”) and (ii) that certain Contract No. 2024-235 dated April 2, 2024 (the “**2024-235 Storm Drain DIF Agreement**”) (collectively the “**2016/2024 Storm Drain DIF Agreements**”) whereby the City agreed to reimburse Developer for the design and construction of various public sewer improvements required within The Preserve Specific Plan by the Preserve Development Agreement No. 2004-073 which improvements are described in the 2016/2024 Storm Drain DIF Agreements.

WHEREAS, Developer has completed additional work under 2024-235 Storm Drain DIF Agreement required in connection with the design and construction of the Line F Storm Drain (the “**Line F Facilities**”) as identified In **Exhibit 1** attached hereto. For the purposes of this Reconciliation all of those storm drain improvements described in the 2016/2024 Storm Drain DIF Agreements and the Line

F Facilities are collectively referred to as the “**2016/2024 Storm Drain DIF Improvements**”. All of the 2016/2024 Storm Drain DIF Improvements have been completed and accepted by the City for which Storm Drain DIF Credits in the total amount of \$34,488,736.97 were provided to Developer under the 2016/2024 Storm Drain DIF Agreements as identified in **Exhibit 2** attached hereto.

WHEREAS, City and Developer subsequently entered into the following additional contracts for the design and construction of additional public storm drain 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 Storm Drain DIF Agreements**”):

- *CONTRACT NO. 2022-163 (Town Center Tr 16420-3)*
- *CONTRACT NO. 2023-249 (Block 9 Independence Tr 16420-4)*
- *CONTRACT NO. 2024-277 (Block 3A Tr 16420-4)*
- *CONTRACT BLOCK 11 -TRACT 16420*

WHEREAS, the storm drain improvements required under the Additional Storm Drain DIF Agreements (the “**Additional Storm Drain DIF Improvements**”) have not yet been completed and accepted by the City (except for \$2,870,322.68 of those Additional Storm Drain DIF Improvements under Contract No.2022-163 (Town Center Tr 16420-3)). Storm Drain DIF Credits in the total amount of the costs for those Additional Storm Drain DIF Improvements when approved by the City will be provided to Developer under the Additional Storm Drain DIF Agreements; the total current estimated costs of those Additional Storm Drain DIF Improvements is \$9,042,001.00 which is identified in **Exhibit 4** attached hereto of which \$2,870,322.68 in actual costs from Contract No. 2022-163 have been submitted to the City as identified in **Exhibit 2** attached hereto

WHEREAS, pursuant to Section 4 of the 2024-235 Storm Drain DIF Agreement, City and Developer met for the purpose of ascertaining the total amount Credits to the Storm Drain DIFs that have been issued by City to the Developer after the Effective Dates of the 2016/2024 Storm Drain DIF Agreements and the Additional Storm Drain DIF Agreements for Developer's Properties, the amount of any cash reimbursements made to Developer, and the remaining amount of the Storm Drain DIFs held by the City through and including May 31, 2025.

#### TERMS

NOW, THEREFORE, the Parties agree as follows:

1. **AMENDMENT AND RECONCILIATION.**

- (a) Amendment to 2024-235 Storm Drain DIF Agreement/ Line F Facilities. Developer has completed additional work under the 2024-235 Storm Drain DIF Agreement required in connection with the design and construction of the Line F Storm Drain (the “**Line F Facilities**”) as identified In **Exhibit 1** attached hereto at the additional DIF Costs of \$4,184,847.86. The 2024-235 Storm Drain DIF Agreement is amended to include the Line F Facilities and amended to increase the Total DIF Costs under the 2024-235 Storm Drain DIF Agreement of the Project from \$6,485,122.11 to \$10,669,969.97 as set forth in **Exhibit 2** attached hereto.

- (b) Storm Drain DIF Credit and Reimbursement Reconciliation. As identified in **Exhibit 2** of this Reconciliation, the total Storm Drain DIF Credits provided to Developer under the 2016/2024 Storm Drain DIF Agreements (including the Line F Facilities and the Additional Contract No. 2022-163 (*Town Center Tr 16420-3*) submitted costs) was \$37,359,059.65 and \$25,747,184.71 of those Storm Drain 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 Storm Drain DIF Agreements (except \$2,870,322.68 of those Additional Storm Drain DIF Improvements under Additional Contract No. 2022-163 previously submitted to the City), until the Additional Storm Drain DIF Improvements required by the Additional Storm Drain DIF Agreements are completed and accepted by the City. Developer has received a total of \$8,835,556.64 in cash reimbursements under the 2016/2024 Storm Drain DIF Agreements. The Current Storm Drain DIF Credit and Reimbursement Amount through May 31, 2025 is \$ 2,776,318.30 as identified in **Exhibit 2** (the “**Current Credit Balance**”). The Current Credit Balance does not include (i) the balance of the Storm Drain DIF Credits to be awarded under the Additional Storm Drain DIF Agreements, estimated to be \$9,042,001 (less the \$2,870,322.68 in DIF Credits already awarded under Additional Contract No. 2022-163), as set forth in **Exhibit 4** attached or (ii) \$55,816.80 in remaining pre-paid cash for the final 32 units in Tract 20161 as set forth in Section 1(c) below.
- (c) COVENANT AGREEMENT RECONCILIATION. City and Developer are also parties to: (1) that certain Covenant Agreement for Prepayment of Development Impact Fees for Tract 20161 dated July 21, 2020 (the “**Tract 20161 Covenant Agreement**”), and (2) that certain Covenant Agreement for Prepayment of Development Impact Fees Credits for approved the Developer's application for PL 18-0012 (Master Site Approval) and PLI 8-0013, -0014, -0015, -0016, -0017, -0097 and -0098 (Tentative Tract Map Nos. 20164,20165, 20166, 20167, 20168, 20248 and 20249) dated July 21, 2020 (the “**Block 4 Covenant Agreement**”) (together the “**Covenant Agreements**”). Capitalized terms used in this Section 1 (c) are as defined in the Covenant Agreements. Developer has pre-paid Cash Amounts for the Storm Drain DIF for all of the dwelling units required by the Covenant Agreements. The Parties agree that there are no Cash Amounts for Storm Drain DIF remaining under the Block 4 Covenant Agreement and that there is only \$55,816.80 of Cash Amounts for Storm Drain DIF remaining under the Tract 20161 Covenant Agreement (“**Remaining Tract 20161 Storm Drain Cash Amount**”). The City hereby agrees to apply the Remaining Tract 20161 Storm Drain Cash Amount for Storm Drain DIF for the remaining 32 units in Tract 20161.
- (d) Updated DIF Credit Addendum. **Exhibit 3** of the 2024-235 Storm Drain DIF Agreement is hereby deleted and replaced with the updated **Exhibit 5** 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 2016/2024 Storm Drain DIF Agreements or the Additional Storm Drain 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.
3. COUNTERPARTS. This Reconciliation and Amendment 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 Amendment No. 1 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**

Additional Storm Drainage Improvements Contract #2024-235	
Line F Storm Drain	\$ 4,184,847.86
Total Additional Storm Drain Costs to be added to Contract #2024-235	\$ 4,184,847.86

## EXHIBIT 2

### Storm Drain DIF Credit Summary

**CONTRACT NOS 2016-118, 2024-235, 2022-163 (Town Center Tr 16420-3), 2023-249 (Block 9 Independence Tr 16420-4), 2024-277 (Block 3A Tr 16420-4), BLOCK 11 -TRACT 16420**

Summary of Storm Drainage DIF Construction Credits and Cash Reimbursements Thru 5/31/25				
Contracts	Total	Chino	Preserve SD DIF Credits	
2016-118	\$ 23,818,767.00	\$ 23,818,767.00		
2016-118 A1 Ontario Regional Storm Drain (reimbursed by Ontario)	\$ 12,956,885.00	\$ -		
	\$ 36,775,652.00	\$ 23,818,767.00	\$ 23,818,767.00	
2024-235	\$ 6,485,122.11	\$ 6,485,122.11		
Additional Storm Drain DIF Improvements	\$ 4,184,847.86	\$ 4,184,847.86		
Subtotal Additional Storm Drain DIF Improvements		\$ 10,669,969.97	\$ 10,669,969.97	
Storm Drain DIF Construction Credits Approved		\$ 34,488,736.97	\$ 34,488,736.97	
Additional Contract 2022-162-DIF submitted costs (Exhibit 4)		\$ 2,870,322.68	\$ 2,870,322.68	
Total Storm Drain DIF Credits Awarded (thru 5/31/25)		\$ 37,359,059.65	\$ 37,359,059.65	
DIF Credits used to 5/31/25 (See Exhibit 3)		(\$25,747,184.71)	(\$25,747,184.71)	
Cash Reimbursements Received FY 2019-2023		(\$8,835,556.64)	(\$8,835,556.64)	
<b>Curent Balance of Storm Drain DIF Credits (as of 5/31/25)</b>		<b>\$2,776,318.30</b>	<b>\$2,776,318.30</b>	
Additional Contracts Improvements Estimates (See Exh 4)				
2023-249- Block 9 Tr 16420-4		\$ 1,106,149.00		
2024-277 Block 3A Tr 16420-5		\$ 547,869.00		
Block 11 -Tr 16420-6		\$ 1,450,979.00		
		\$ 3,104,997.00	\$ 3,104,997.00	
Total Chino Storm Drain DIF Approved and Estimates (additional \$3,104,997 in DIF Credits available when costs approved by City)		\$ 40,464,056.65	\$ 40,464,056.65	
Note: \$2,776,318.30 does not include Tr 20161 Prepaid cash for last 32 units equal to \$55,816.80 (See Exhibit 3)				

**EXHIBIT 3**

**List of Preserve Projects Where Storm Drain DIFs Used Through May 31, 2025**

Tract	Builder	Project	Density	Total Thru 05/31/2025		
				Total Units	Total Amount	
16420.1	LMC	HCP Maintenance Bldg	SqFt	-	(16,298.10)	
		HCP Pool Bldg	SqFt	-	(6,961.50)	
		HCP Rec Center Bldg	SqFt	-	(94,032.28)	
		Homecoming- Ph 1	HDR	152	(560,728.00)	
		Homecoming- Ph 2	HDR	189	(697,221.00)	
16420.3	LMC	Homecoming- Ph 3	HDR	458	(1,689,562.00)	
		Town Center - Chipotle	SqFt	-	(9,618.76)	
		Town Center - Panera	SqFt	-	(14,107.26)	
		Town Center - Retail 2	SqFt	-	(58,267.89)	
		Town Center - Retail 3A	SqFt	-	(25,358.56)	
		Town Center - Retail 3B	SqFt	-	(30,904.96)	
		Town Center - Retail 4	SqFt	-	(27,532.98)	
		Town Center - Retail 5	SqFt	-	(30,753.00)	
		Town Center - Retail 6	SqFt	-	(46,639.64)	
		Town Center - Retail 7	SqFt	-	(13,024.80)	
16420.6	LMC	Town Center - Retail 8	SqFt	-	(13,024.80)	
		Town Center - Stater Bros	SqFt	-	(166,822.36)	
16420.6	LMC	Club on Main - A3 Hall	SqFt	-	(8,097.94)	
		Club on Main - B-Office	SqFt	-	(14,163.25)	
16519	John Laing	Secret Garden	MDR	84	(361,101.00)	
16520	Lennar	Garden Glen I	LDR	51	(331,782.00)	
16521	K. Hovnanian	Ten Bloom Road	MDR	69	(289,616.00)	
16522	Centex	Canterbury Grove I	LDR	48	(312,742.00)	
16523	Shea	Iris	LDR	61	(390,408.00)	
17148	Standard Pacific	Hidden Hollow	MDR	81	(380,746.00)	
17149	Standard Pacific	Shady Lane	MDR	60	(281,060.00)	
17150	Shea	Enchanted Forest	LDR	55	(375,320.00)	
17266	Pardee	Candlewood	LDR	64	(462,593.00)	
17357	KB	Evergreen	MDR	58	(250,788.00)	
17390	Brookfield	Mulberry - Casita	MDR	126	(566,061.00)	
17514	Centex	Citrus Commons	HDR	118	(422,558.00)	
17515	Centex	Agave	MDR	104	(449,844.00)	
17571	Western National	Affordable Apartments	HDR	250	(973,000.00)	
17574	Cal Atlantic	Amelia (stark)	MDR	110	(548,240.00)	
17610	Centex	Canterbury Grove II	LDR	48	(327,552.00)	
17611	KB	Cantana	MDR	21	(92,967.00)	
17612	KB	Ariatta	MDR	42	(185,934.00)	
17613	Lennar	Garden Glen II	LDR	51	(348,024.00)	
17616	Shea	Tetherwind	MDR	162	(729,162.00)	
17635	Woodside Homes	Palisades	LDR	79	(587,209.00)	
18479	Richmond American	Harvest Lot 10 & 12 - Pineberry	LDR	68	(534,992.00)	
18693	KB	Lynbrook	MDR	114	(504,678.00)	
18778	K. Hovnanian	Sonata	MDR	65	(287,755.00)	
18890	William Lyon	Laurel Lane (Deboer)	MDR	70	(345,142.00)	
19749	Boos Development	7 Eleven	Mill Creek - Gas Station	SqFt	-	(10,861.10)
		DL Pine	Mill Creek - Car Wash	SqFt	-	(17,752.52)
19935	Richmond American	Harvest Lot 11 - Vineyard	LDR	73	(572,743.00)	
		Harvest North Rec Ctr	SqFt	-	(9,640.18)	
		Harvest South Rec Ctr	SqFt	-	(11,038.25)	
19936	Woodside Homes	Harvest Lot 4 - Sunrise Harvest	LDR	56	(422,912.00)	
19946	Lennar	Harvest Lot 1 - Olive Grove	MDR	30	(149,520.00)	
19947	Richmond American	Harvest Lot 2 - Heirloom	MDR	42	(209,328.00)	
19948	Lennar	Harvest Lot 3 - Olive Grove	MDR	27	(134,568.00)	
19949	Lennar	Harvest Lot 5 - Autumn Field	MDR	82	(408,688.00)	
19950	Richmond American	Harvest Lot 6 - Heirloom	MDR	62	(309,008.00)	
19951	Lennar	Harvest Lots 7 & 9 - Summerfield	MDRD	93	(403,248.00)	
19952	Lennar	Harvest Lot 8 - Olive Grove II	MDRD	57	(247,152.00)	
19953	Richmond American	Harvest Lot 10 & 12 - Pineberry	LDR	10	(77,446.00)	
19980	LMC	Homecoming- Ph 4	HDR	454	(1,885,916.00)	
20102	TriPointe	Lot 14/15 - Hazel	HDR20	133	(525,259.00)	
20102.1	TriPointe	Lot 14/15 - Ivy	HDR20	113	(448,163.00)	
		Lot 14/15 - Ivy II AG Buffer	HDR20	21	(84,567.00)	
20165	Century	PA 5 Greenway	LDR	79	(376,308.60)	
20166	KB Home	PA 4 Driftstone	LDR	69	(328,674.60)	
20167	Lennar	Voyage PA1	LDR	60	(285,804.00)	
20168	Richmond American	Parklin PA2&3	LDR	68	(323,911.20)	
20170	Richmond American	PA-3 Liberty - Gardenside	MDRD	80	(211,392.00)	
20171	TriPointe	PA-2/8/9 Bungalow - Delia	MDRA	123	(307,967.40)	
20172	Pulte	PA-4 - Monarch	MDRD	76	(200,822.40)	
20173	Beazer	PA-6/7 Zinnia	MDRA	143	(358,043.40)	
20231	Lennar	Lot 11 - Morning Sun	HDR20	106	(426,862.00)	
20232	William Lyon	Lot 11 - Verbena	HDR20	70	(281,890.00)	
20248	Lennar	Voyage PA6&7	LDR	56	(266,750.40)	
20249	Richmond American	Parklin PA8&9	LDR	56	(266,750.40)	
20270	Richmond American	PA-5 Liberty - Gardenside	MDRD	36	(95,126.40)	
20326	LMC	Homecoming- Ph 5	HDR20	184	(740,968.00)	
20380	LMC	Independence Preserve	HDR20	208	(885,456.00)	
		Independence Preserve - Office	SqFt	-	(5,965.76)	
		Independence Preserve - Pool	SqFt	-	(1,149.35)	
20446	TruMark	Block 3A 55x100	LDR	31	(260,152.00)	
20446.1	Century	Block 3A 50x100	LDR	38	(318,896.00)	
Totals				5,594	(25,747,184.71)	

Includes all Units and Commercial square footage to 5/31/25 some of the units and commercial are included in Contracts 2022-163, 2023-249, 2024-277 and Tr 16420-6					
Note-Credits are reduced to account for cash prepayments per Covenant Agreements for Tr 20161 & 20164 to 5/31/25	\$ 2,014,367.20	Total Storm Drain DIF Credits used to 5/31/25	5,594	25,747,184.71	
Balance Remaining Covenant Agreement		Cash Storm Drain DIF Prepayments used to 5/31/25		<u>2,014,367.20</u>	
Tr 20161 Prepaid Cash Storm Drain DIF for last 32 units	\$ 55,816.80				
Total Cash Storm Drain DIF Prepayments	\$ 2,070,184.00				
Total Credits & Cash Prepayments to 5/31/25		Total Storm Drain DIF Credits & Cash Prepayments to 5/31/25		27,761,551.91	

**EXHIBIT 4**

**Storm Drain DIF Credit Summary (Estimates)**  
**Additional Storm Drain DIF Agreements**

	Storm Drain Additional DIF Contracts		
<u>Additional DIF Contacts</u>	<u>DIF Estimated Storm Drain Costs</u>	<u>Submitted-Actual Costs</u>	
#2022-163 Town Center Tr 16420-3	\$ 5,937,004.00	\$ 2,870,322.68	
#2023-249- Block 9 Independence Tr 16420-4	\$ 1,106,149.00	\$ -	
#2024-277 Block 3A Tr 16420-4	\$ 547,869.00	\$ -	
Block 11 -Tr 16420	\$ 1,450,979.00	\$ -	
Total Estimated Sewer DIF Improvements In Contracts	\$ 9,042,001.00	\$ 2,870,322.68	
These costs will be validated with construction cost submittals when approved will generate additional Storm Drain DIF credits			

**EXHIBIT 5**

**DIF CREDIT ADDENDUM**

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

❖ DIF Credit and Reimbursement Summary:

	Total Credit Amount	Total Credits Applied/Cash Reimbursement	Balance
Circulation DIF	\$ 37,359,059.65	(\$34,582,741.35)	<b>\$ 2,776,318.30</b>
	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."