

FIRST AMENDMENT TO FAIR-SHARE CONTRIBUTION AGREEMENT
by and among
THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
and
LENNAR LYTLE, LLC
RELATED TO FIRE PROTECTION SERVICES MITIGATION

This First Amendment to Fair-Share Contribution Agreement ("Amendment") is made and entered into as of _____, 2012 by and among the SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT ("SBCFPD"), successor in interest to the San Bernardino County Consolidated Fire District, and LENNAR LYTLE, LLC, a Delaware limited liability company ("Lennar").

R E C I T A L S

- A. SBCFPD and Lytle Development Company ("LDC"), a California corporation, entered into a Fair-Share Contribution Agreement related to Fire Protection Services Mitigation for the Lytle Creek North Planned Development Project (PDP/FDP/E171-33/TTM 15900 09802CF1) (the "Agreement"). LDC assigned to Lennar, LDC's entire right, title and interest in and to the Agreement.
- B. Subsequent to the execution of the Agreement, the California housing market suffered a substantial decline which has made it impossible for build-out of the residences as was contemplated during the negotiation and execution of the Agreement. As a result, the economics surrounding the execution of the Agreement are no longer relevant and it is necessary to amend the Agreement in a manner consistent with the reality of the current and anticipated housing market.
- C. The parties now desire to amend the Agreement to reflect the understanding and agreement between them.

NOW, THEREFORE, in consideration of the mutual covenants and agreements as set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Paragraph 3.1 is hereby amended to add as follows:

- A. The word "1000th" where it appears in Paragraph 3.1 is hereby deleted and "Project Build Out" defined as a certificate of occupancy being issued for the final home within the Project substituted in its place.
- B. Eighteen Months prior to "Project Build Out" Lennar is required to notify SBCFPD that it is within the eighteen month period of Project Build Out (the "Eighteen Month Notice"). SBCFPD shall, within six months of the giving of the Eighteen Month Notice, advise Lennar it requests that construction of the Fire Station begin along with SBCFPD's estimate of the then-current cost of constructing a Fire Station in Exhibit "D" of the original Agreement, including the purchase of a Type I Fire Engine. Lennar must notify SBCFPD whether they intend to build or pay such estimated cost within ninety days of the date of the official notification by SBCFPD. If Lennar elects to pay such cost, such payment shall be in lieu of building and delivering to SBCFPD the Fire Station and advancing to SBCFPD funds to purchase the Fire Equipment prior to the date the Fire Station is required to be substantially complete as provided in paragraph 3.1. If Lennar does not elect to pay such cost, Lennar shall begin construction of the Fire Station within six months of the official notification from SBCFPD.

2. Without in any way limiting the effect of Paragraphs 3.2(d), 3.2(g) and 4, the parties acknowledge that CFD2006-1 has been formed and that a portion of the special taxes thereunder are applied to and are part of Fire Service Tax Revenues.

3. Paragraph 3.2(d) is amended in its entirety to be as follows:

The Fire Service Tax Revenues for each Fiscal Year shall mean the sum of Real Property Taxes levied on the properties within the CFD 2006-1 multiplied by the applicable percentage allocated to SBCFPD by San Bernardino County Tax Assessor, plus the CFD/Mello Roos Tax levied on the parcels in CFD 2006 – 1A (fire portion of the total CFD 2006-1 taxes) less delinquencies or charges for collecting the taxes.

4. Paragraph 8 of the Agreement is hereby amended by deleting therefrom the phrase "or until January 1, 2010, whichever is sooner."

5. Paragraph 10 of the agreement

If to the County:

Jeffery O. Rigney

Director

County of San Bernardino Special Districts

157 W. 5th Street, Second Floor

San Bernardino, CA 92415

With a copy to:

Charles Scolastico

County Counsel

County of San Bernardino

385 N. Arrowhead Ave, Fourth Floor

San Bernardino, CA 92415

If to SBCFPD:

Fire Chief

San Bernardino County Fire Protection District

157 W. 5th Street, Second Floor

San Bernardino, CA 92415

6. Add Paragraph 16 as follows:

"16. Amendments. This Agreement may only be amended by the parties in writing."

7. This agreement is retroactive to January 2, 2010. A calculation of charges from January 2, 2010 through June 30, 2012 has been provided to Lennar for \$254,957 with 1/3 due 45 days from Board approval of this Amendment, 1/3 due 90 days from Board approval of this Amendment and final due June 15, 2012.
8. The portion of Exhibit "E" to the Agreement that precedes the portion thereof headed "CONDITIONS OF APPROVAL (COA)" is hereby amended to be as set forth in the Exhibit "E" attached hereto.
9. The parties do hereby ratify and confirm the Agreement as hereby amended by this Amendment.
10. All other provisions and terms of the Agreement shall remain the same and are hereby incorporated by reference.

[Signatures on Following Page]

**SIGNATURE PAGE TO
FIRST AMENDMENT TO FAIR-SHARE CONTRIBUTION AGREEMENT
by and among
THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
and
LENNAR LYTLE, LLC and
RELATED TO FIRE PROTECTION SERVICES MITIGATION**

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

LENNAR

Lennar Lytle, LLC,
a Delaware limited liability company

By: Lennar Fresno, Inc.,
Its Sole Member and Manager

By: _____

Name: _____

Title: _____

SAN BERNARDINO COUNTY
FIRE PROTECTION DISTRICT

By: _____

Name: Mark A. Hartwig

Title: Fire Chief

APPROVED AS TO FORM:

By: _____

Name: Charles S. Scolastico

Title: Principal Assistant

"COUNTY"

COUNTY OF SAN BERNARDINO

By: _____

Name: Josie Gonzalez

Title: Chair, Board of Supervisors

APPROVED AS TO FORM:

By: _____

Name: Charles S. Scolastico

Title: Principal Assistant

EXHIBIT "E"

FIRE SERVICE PLAN

LYTLE CREEK NORTH

The following provides an outline of the Fire Service Plan for the Lytle Creek North Development Project as it relates to service levels to be provided by the San Bernardino County Fire Protection District Valley Regional Improvement Zone ("SBCFPD").

SUMMARY

The Lytle Creek North Project ("Project") is located primarily within the SBCFPD 's zone and is a largely undeveloped area. At build out the Project will consist of over 2000 single-family residences and at least 45 acres of commercial/light industrial businesses. The Project is surrounded by undeveloped land that poses a substantial wild land/urban interface fire issue. This interface will always exist for much of the development due to its location adjacent to the San Bernardino National Forest. With the land use changing from undeveloped, chaparral covered open space to densely populated neighborhoods the fire service for this area must also change.

SBCFPD currently operates 5 full service fire stations with within the direct service area of the Lytle Creek North Development Project, The service provided within SBCFPD meets National Fire Protection Association (NFPA) standards for fire company staffing and response times in heavily populated areas.

For fire protection services, the Project is best defined as an "Urban Cluster". This area consists of densely settled areas with at least 2500 people but fewer than 50,000 and contains residential, retail sales, light commercial and may have limited industrial processes. In addition, Interstate 15 bisects, creating a tremendous opportunity for transportation related emergencies. With this in mind it is appropriate that this Project be protected at the same level that is afforded to other densely populated communities in the County. Its inclusion in the SBCFPD will provide this protection.

The proposed fire service to this Project will be accomplished with the addition of a new

EXHIBIT "E"

fire station located within the Project. Ultimately this station will be staffed full time with 3 personnel,
1 Captain, 1 Engineer and 1 Firefighter/Paramedic. The station will be equipped with a Type I Fire Engine capable of affecting all types of structural firefighting and rescue operations. In addition, the station will eventually have a Type III Wild land Fire Engine for use in the adjacent chaparral areas.

Presently, the closest fire stations to this area are in the community of Devore (Station 2) and North Fontana (Stations 78 & 79). These three stations will provide valuable back up to the community for those incidents that exceed the capabilities of a single Engine response. In conclusion, the SBCFPD provides fire protection using a regional approach to service delivery. The boundaries of the SBCFPD covers city land and Fontana Fire Protection District which currently contracts with SBCFPD to operate their 7 stations, however the response of fire equipment recognizes no boundaries, the closest engine company is dispatched to the emergency; jurisdiction boundaries are secondary to getting help to those in need. The addition of the Project into the SBCFPD enhances that regional delivery concept while providing protection to all the citizens located in this service area.

FIRE SERVICE

The Project is proposed to be built in phases.

Phase I Subsidy - Defined as the period prior to the adoption of the Phase II Subsidy fire service area analysis. During this phase, existing staffing at Station 2 in the community of Devore (1 Captain, 1 Fire Fighter and 3 Engineer/Paramedic positions) will be augmented to provide an additional Engineer/Paramedic 24 hours per day, 7 days a week at the current salary plus all benefits as defined by the current MOU Agreement between SBCFPD and Local 935 , \$20,000 per annum for supplies and \$30,000 for replacement of one heart monitor purchased in FY 2006/07 meeting the current standards as set by ICEMA , so as to provide paramedic and fire service to the Project.

Phase II Subsidy – Defined as the period between the adoption of a new fire service area analysis for the Project and the Eighteen Months prior to Project Build Out. SBCFPD shall have

the responsibility to start a new fire service area analysis no sooner than the earlier of (i) Eighteen months prior to Project Build Out or (ii) the commencement of construction of the Project's new fire station. The study shall be completed and adopted no later than the issuance of the Certificate of Occupancy of the new fire station. Based on the fire service area analysis Lennar would in accordance with, and subject to Section 3.2 of the Agreement to which this is attached, be responsible for their proportionate share of the new station staffing costs relative to their portion of the service area to be covered by the station, any revenue shortfall resulting from this share would be borne by Lennar. After the new fire station is completed and staffed based on the analysis and, the new Type 1 Engine is available, the funding of the Engineer/Paramedic position and medic equipment at Station 2 will no longer be the responsibility of Lennar.

Phase III – combined with Phase II

Conditions of Approval – The following is a summary of the Fire conditions and other requirements as they relate directly to the delivery of fire protection services (not intended as a complete list of COAs).

Jurisdiction. The above referenced project is under the jurisdiction of the San Bernardino County Fire Department 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 and all applicable statutes, codes, ordinances and standards of the Fire Department.

Overlay District FS-3. The County General Plan designates this property as being within the Fire Safety Review Area 3 (three) and all future construction shall adhere to all applicable standards and requirements of this overlay district.

Fire Equipment – Agreement/Surety. Prior to recordation of tract 15900, the applicant shall execute an agreement with the San Bernardino County Fire Department, to ensure that all fire equipment necessary to serve the project is available when necessary or the applicant may

submit surety in a form and amount acceptable to County Counsel and the Fire Chief. Applicants are in the process at this time.

Water System and Fire Flow. Prior to any land disturbance for any tract within the Lytle Creek North project, the water system 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 IIIA of the Uniform Fire code. Standard 903.1. The fire flow for this project shall be 3,500 GPM for a 3-hour duration at 20 PSI residual operating pressure for commercial uses (based on 18,000 square foot Type VN Building and 1,500 GPM for a 2-hour duration at 20 PSI residual pressure for residential uses (based on 3,600 square foot Type VN building).

Water maps. Water maps were submitted and approved by the San Bernardino County Fire Department.

Fire Fees. The required fire fees shall be paid to the San Bernardino County Fire Department/Community Safety Division.

Access. Prior to recordation of tract 15900 the development shall have a minimum of 3 points of vehicular access. First access road outlet to the West under the I15 freeway, second access road to the East to Glen Helen Parkway and the third is from loop road to the Sheriff Training Facility. These are for fire/emergency equipment access and for evacuation routes. Each phase will be evaluated for vehicular access as they are submitted. Standard 902.2.1 these access roads will be placed on the final map.

Turnaround. An approved turnaround shall be provided at the end of each roadway one hundred and fifty (150) feet or more in length. Cul-de-sac length shall not exceed three hundred and fifty (350) feet; all roadways shall not exceed a 12% grade and have a minimum of forty-five (45) foot radius for all turns. In the FS1, FS2 or FS-3 Fire Safety Overlay District areas, there are additional requirements. Standard 902.2.1.

Fuel Modification Zone. Prior to recordation of tract 15900 within the Lytle Creek North project, a Fuel Modification Zone (FMZ) plan designed specifically for the subject project is required and shall be designed by a consultant approved by the Fire Department. This report shall include a Fire Vegetation Management Plan and a Fire Protection Plan, The FMZ plan shall be submitted to the Fire Department for review and approval in compliance with County Standards.

Water System Large Commercial. Prior to recordation of tract 15900 the applicant/developer shall provide fire staff with a letter from the water company having jurisdiction, verifying financial arrangements have been made for the required water improvements or that existing fire hydrants and water system will meet distance and fire flow requirements. The system shall be operational, prior to any combustibles being stored on the site. The applicant is required to provide a minimum of one new six (6) inch fire hydrant assembly with one (1) two and one half (2 ½) inch and two (2) four (4) inch outlet. All fire hydrants shall be spaced no more than three hundred (300) feet apart (as measured along vehicular travel-ways) and no more than one hundred fifty (150) feet from any portion of a structure.

Water System Residential. A water system approved by the Fire Department is required. The system shall be operational, prior to any combustibles being stored on the site. Detached single-family residential developments may increase the spacing between hydrants to be no more than six hundred (300) feet and no more than three hundred (300) feet (as measured along vehicular travel-ways) from the driveway on the address side of the proposed single-family structure. Standard 901.4.

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.

Fuel Modification Zone. A fuel modification zone, in compliance with the requirements of the approved Fuel Modification Zone (FMZ) plan, per County standards, is required.

Notes on specific conditions:

- 1) These conditions are not conclusive. Fire staff will require site-specific plans to address exact fire conditions required for each structure. Fire conditions may be altered when the Fuel Modification is approved.
- 2) Emergency access road that is constructed between Lytle Creek North and the San Bernardino County Sheriff Training Facility shall be paved with a minimum unobstructed width of 20 feet. This access road shall be constructed from the loop road to an area designated by San Bernardino County Sheriff Department.
- 3) Road variance is to allow for road width of no less than (width designated by the fire department) required minimum width of 26 feet. Roads will be required to have turnouts that are a minimum six (6) feet in width, fifty-feet (50) in length and shall be approximately every six hundred (600) foot. The designated turnouts shall be located at all fire hydrants and other points determined necessary for fire protection and emergency response.