

**FIRST AMENDMENT TO
IMPLEMENTATION AGREEMENT
REGARDING PROCESSING OF PRE-PAID
EL DORADO HILLS TIM FEES
(WEST VALLEY, LLC)**

This First Amendment ("Amendment") to the Implementation Agreement Regarding Processing of Pre-Paid El Dorado Hills TIM Fees (West Valley, LLC) dated July 22, 2008 ("Implementation Agreement") is made by and between the County of El Dorado (hereinafter "County") a political subdivision of the State of California, and West Valley, LLC, a California Limited Liability Company duly qualified to conduct business in the State of California (hereinafter "Developer"):

Recitals

WHEREAS, the parties entered into that certain Funding, Credit and Reimbursement Agreement ("Funding Agreement") that required, in part, that Developer prepay a portion of the Local Road Component of Fee Zone Number 8 of the 2004 General Plan TIM Fee Program (hereinafter "EDH TIM") from the Bond proceeds provided by CFD no 2005-01 Blackstone as set forth in the Funding Agreement. Those prepaid funds were subsequently utilized to construct the Latrobe Road projects as described in the Findings and Conditions of Approval for TM99-1359;

WHEREAS, Developer's purchase agreements with its builders discounted the purchase price by the amount of the pre-paid fees and provided a time-frame for payment of the discounted amount by builders to Developer to be coordinated with the issuance of building permits. Specifically, Developer's purchase agreements with its builders contemplated Developer and its builders would coordinate applications for building permits so that the builders would pay to Developer an amount equal to the amount of the pre-paid fees attributable to the authorized units before issuance of building permits;

WHEREAS, County and Developer subsequently entered into this Implementation Agreement concerning the accounting and processing of prepaid traffic impact fees under the 2004 General Plan TIM Fee Program whereby County agreed to cooperate with Developer and its builders to develop and implement a procedure to account for the prepaid fees strictly as security for payment for Developer in accordance with the Developer's purchase agreement, and the parties specifically agreed that nothing by way of that Implementation Agreement would give rise to a claim against County for the amount of the pre-paid traffic impact mitigation fees nor require County to refund any pre-paid traffic impact mitigation fees to Developer, its successors or its builders;

WHEREAS, County is currently considering modifications to its 2004 General Plan TIM Fee Program to address a decrease in the overall costs of construction of traffic improvements resulting from the significant downturn in the state and national economy

which downturn has continued for several years, and to add an Age-Restricted Single Family and Multi-Family Housing category to the 2004 General Plan TIM Fee program;

WHEREAS, an overall decrease in the amount of 2004 General Plan TIM Fees collected in the near term may have an effect on the cash flow of the EDH TIM and the Silva Valley Interchange Set Aside Fund;

WHEREAS, an overall decrease in the amount of 2004 General Plan TIM fees may also cause the traffic impact mitigation fee per lot/unit to fall below the amount of the pre-paid traffic mitigation fee per lot/unit, resulting in Developer receiving less funds per lot/unit at the time a builder within the Blackstone Project applies for a building permit than was prepaid by Developer and than was contemplated under this Implementation Agreement;

WHEREAS, Developer supports the decrease in the 2004 General Plan TIM Fee amounts and the addition of an Age-Restricted Single Family and Multi-Family Housing category to the 2004 General Plan TIM Fee Program; and

WHEREAS, the parties desire to amend this Implementation Agreement to provide for Developer's waiver of objection and consent to a lesser amount of fees returned to Developer at time of builder application of a building permit than was prepaid by Developer resulting from the County's action to add an Age-Restricted Single Family and Multi-Family Housing category to the 2004 General Plan TIM Fee program, and to decrease the EDH TIM fees by the balance in savings in the EDH TIM after addition of that Age-Restricted category;

NOW, THEREFORE, the parties agree to amend this Implementation Agreement a first time to add provisions to Section 2 and to amend Exhibit A.

Section 2 is amended to read as follows:

2. Effect of Agreement:

County reserves the right to approve increases or decreases in its 2004 General Plan Traffic Impact Mitigation Fee Program ("EDH TIM") fees from time to time in its discretion in accordance with applicable law. County shall not be precluded from modifying its EDH TIM by adding categories for Age-Restricted Single and Multi-Family categories, and/or to decrease the amount of the EDH TIM fee to reflect the decrease in costs for construction of traffic and traffic related improvements under the EDH TIM as necessary or desirable to reflect the continuing downturn in the economy. The foregoing shall not be construed as obligating the County to modify, decrease, or adjust the amounts of its fee programs.

The fee in effect when a building permit is issued, less the amount of partial prepayment derived as described in Section 9 of the Funding Agreement, shall be due for each unit within the Blackstone Project. The parties hereby acknowledge

and agree that the portion of the Prepaid EDH TIM fees paid from CFD No. 2005-01 Blackstone as described hereinabove are not refundable to West Valley, LLC, its successors and assigns and/or to its builders as they have been used to satisfy the Conditions of Approval for TM99-1359.

Notwithstanding anything in the Implementation Agreement, inclusive of Section 1(A) – (F) and Exhibit A, to the contrary, in the event that the fees in effect when a building permit is issued are less than the amount of partial prepayment derived as described in Section 9 of the Funding Agreement and this Implementation Agreement, Developer, its successors and assigns, and its builders shall not receive a credit or reimbursement for the amount prepaid in excess of the fees in effect when the building permit is issued, nor shall Developer, its successors and assigns, or its builders, be entitled to transfer or assign any resulting amount prepaid in excess the amount of EDH TIM fees in effect when a building permit is issued to a different unit/lot. By way of example, if a builder applies for a building permit within the Blackstone Project for a single family unit and presents a signed Certificate of Prepaid Fees that builder has paid the sum of \$16,520 per single family residential as referred to in Section 1(A) and Exhibit A herein (“prepaid amount”), but the EDH TIM fee at the time of builder’s application for building permit is less than the prepaid amount, then County shall credit the builder up to the amount of the EDH TIM fee then in effect but County shall have no obligation credit or transfer the difference between the prepaid sum of \$16,520 per single family residential and the then current EDH TIM fee (hereinafter the “Prepaid Difference”) to any other lot of builder or Developer, its successors and assigns, and County shall have no obligation to refund, reimburse or otherwise pay to Developer, its successors, assigns, and its builders the Prepaid Difference.

Nothing by way of this Implementation Agreement shall be construed to require County to refund any prepaid EDH TIM fees prepaid from the proceeds of CFD 2005-1 Blackstone to Developer, its successors and assigns, or to its builders. Nothing by way of this Implementation Agreement shall be construed to amend or modify the Funding Agreement.

Developer warrants and represents that prior to entering into this Amendment, Developer has not transferred, assigned, or otherwise hypothecated its rights to receive payment from its builders of an amount up to or equal to the amount of the prepaid fees pursuant to Developer’s purchase agreements with its builders.

Except as herein amended, all other parts and sections of the Implementation Agreement shall remain unchanged and in full force and effect.

REQUESTING DEPARTMENT CONCURRENCE:

By _____ Dated _____
James Ware
Director of Transportation

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

-- COUNTY OF EL DORADO --

Dated: _____

By: _____

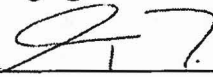
Chairman
Board of Supervisors
"County"

ATTEST: Suzanne Allen de Sanchez, Clerk
of the Board of Supervisors

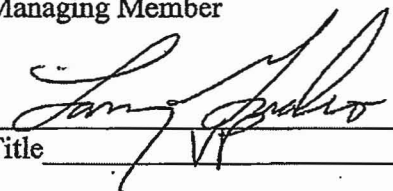
By: _____ Dated: _____

WEST VALLEY, LLC
A California Limited Liability Company

By: AKT WEST VALLEY INVESTORS, LLC
a California Limited Liability Company
By: AKT Development Corporation,
its Managing Member

By:  Dated: 2/13/12 AND
Title _____

By: LENNAR WEST VALLEY, LLC, A
California Limited Liability Company
By: Lennar Renaissance, Inc., a
California Corporation
Its: Managing Member

By:  Dated: 2/13/12
Title _____