

**IMPLEMENTATION AGREEMENT REGARDING
PROCESSING OF PRE-PAID EL DORADO HILLS TIM FEES
(West Valley LLC)**

THIS IMPLEMENTATION AGREEMENT (the “**Agreement**”) is entered into by and between the County of El Dorado, a political subdivision of the State of California (“**County**”) and West Valley LLC, a California limited liability company (“**Developer**”), concerning the accounting, assignment and processing of certain prepaid EDH TIM fees as more particularly described herein.

RECITALS

WHEREAS, County and Developer entered into that certain Funding, Credit and Reimbursement Agreement, with an effective date of November 21, 2005 (the “**Funding Agreement**”). Section 9 of the Funding Agreement required Developer to prepay a portion of the 2004 El Dorado Hills TIM (“**EDH TIM**”) fees through the use of bond proceeds provided by Community Facilities District No. 2005-01, Blackstone (the “**CFD**”). All capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the Funding Agreement.

WHEREAS, Developer’s purchase agreements with its builders contemplated that Developer and County would develop and implement a procedure whereby the prepaid EDH TIM fees could be assigned by Developer to its builders and then applied to reduce the amount of the EDH TIM fees otherwise payable by such builders when obtaining building permits for their developments.

WHEREAS, County is willing to develop such procedure with Developer to account for and process the prepaid EDH TIM fees.

NOW, THEREFORE, the parties hereto in consideration of the recitals, terms and conditions herein, do hereby agree as follows:

1. Accounting Procedure for Prepaid EDH TIM Fees. County agrees to implement the following procedure for accounting for and processing the EDH TIM fees prepaid by Developer pursuant to the Funding Agreement and the bond proceeds provided by the CFD (the “**Prepaid EDH TIM Fees**”):

A. Developer shall use the Certificate of Assignment and Transfer of Prepaid EDH TIM Fees in the form attached hereto as Exhibit A (a “**Certificate of Prepaid Fees**”), to certify each assignment and transfer of Prepaid EDH TIM Fees to a builder within the Blackstone Project. As noted in the form of the Certificate of Prepaid Fees, based on the funds provided by the CFD and for ease of administration, the amount of Prepaid EDH TIM Fees that can be assigned by Developer is \$16,520 per single family unit, \$10,780 per multifamily unit, and \$5.418 per square foot of commercial space (up to the first 60,000 square feet of commercial space);

B. If and when a builder within the Blackstone Project applies for building permit(s), the County shall ask the builder if it has a signed Certificate of Prepaid Fees from the Developer for these requested permits.

(i) If a signed Certificate of Prepaid Fees is provided, then the County shall reduce the amount of the EDH TIM fees to be paid by the builder for such permit(s) by the amount of Prepaid EDH TIM Fees assigned to the builder in such Certificate of Prepaid Fees.

(ii) If a signed Certificate of Prepaid Fees is not provided with the building permit application, then the County will offer the builder to hold the building permit application for five (5) business days to provide an opportunity to obtain from Developer a Certificate of Prepaid Fees for the permit(s) related to such application. The builder may elect to either obtain a Certificate of Prepaid Fees from Developer for such permit(s) or waive the opportunity to obtain the Certificate of Prepaid Fees and pay the full amount of the EDH TIM fees associated with such permit(s). Unless and until a builder provides a signed Certificate of Prepaid Fees for the requested building permits, the County shall require the builder to pay the full amount of the EDH TIM fees associated with issuance of its building permits.

C. If a builder does not provide a Certificate of Prepaid Fees to the County when applying for building permits and pays the full amount of the EDH TIM fees upon issuance of such building permits, County shall collect the full amount of the EDH TIM fees and pay to Developer the amount of Prepaid EDH TIM Fees that could have been assigned by Developer with respect to such building permits. For example, if a builder applies for 20 single family building permits within the Project and pays the full amount of the EDH TIM fees therefor, then County would pay Developer \$325,000 (\$16,250 times 20) from such collected fees in consideration of the Prepaid EDH TIM Fees allocable to such permits.

D. Developer acknowledges that County policy allows builders to return building permits and receive a refund of EDH TIM fees paid in connection therewith. In recognition that the prepaid fees are not refundable to West Valley LLC, and the assignment of such prepaid fees cannot confer a greater benefit than is possessed by the assignor, if a builder returns building permits for which a Certificate of Prepaid Fees was provided by the builder to the County, then the County shall be obligated to refund the EDH TIM fees actually paid by builder to the County, as reduced by the Prepaid EDH TIM Fees, and the Certificate of Prepaid Fees shall be deemed reinstated for the benefit of such builder (i.e., such builder will be entitled on future permits to apply the amount of Prepaid EDH TIM Fees set forth in such Certificate of Prepaid Fees to reduce the EDH TIM fees then required to be paid). If a builder returns building permits for which no Certificate of Prepaid Fees was provided and for which the builder paid the full amount of the EDH TIM fees, then County shall be obligated to refund the full amount of the EDH TIM fees paid by such builder and, if County previously paid to Developer the amount of Prepaid EDH TIM Fees associated with such permits as provided by Section

1.C above, then Developer shall be obligated to refund the amount of such Prepaid EDH TIM Fees to the County. Any such refund by Developer shall be due within ten (10) days of its receipt from the County of written demand therefore, which demand may be made immediately upon request for a refund by the builder and need not await actual payment of the refund. The County may defer payment of the refund to the builder until receipt of the funds from West Valley LLC.

E. In consideration of County cooperating with Developer in preparing and implementing this procedure to account for and process the Prepaid EDH TIM Fees, Developer shall execute and deliver to County concurrently herewith an Indemnity Agreement in the form attached hereto as Exhibit B.

2. Counterparts. This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated below, the latest of which shall be deemed to be the effective date of this Agreement.

COUNTY:

DEVELOPER:

**COUNTY OF EL DORADO, a political
subdivision of the State of California**

**WEST VALLEY, LLC,
a California limited liability company**

By: _____,
Chairman
BOARD OF SUPERVISORS

By: Lennar Communities, Inc.,
a California corporation,
Non-Member Manager

Dated: _____

By: _____

Attest:
(Name)
Clerk of the Board of Supervisors

Name: _____

Title: _____

Dated: _____

By: _____
Deputy Clerk

By: AKT Investments, Inc.,
a California corporation,
Non-Member Manager

Dated: _____

By: _____

Requesting Department Concurrence:

Name: _____

Title: _____

Dated: _____

By: _____
Department of Transportation

Dated: _____

EXHIBIT A

**CERTIFICATE OF ASSIGNMENT AND TRANSFER OF
PREPAID 2004 EL DORADO HILLS TIM FEES
(WEST VALLEY, LLC)**

This Certificate of Assignment of Prepaid Fees is made and delivered pursuant to and in accordance with the terms of the Implementation Agreement Regarding Processing of Pre-Paid El Dorado Hills TIM Fees (West Valley LLC), dated _____, 2008 (collectively, the “**Agreement**”). All capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the Agreement.

For valuable consideration, receipt of which is hereby acknowledged, Developer hereby assigns, transfers and conveys to the Assignee described below, for Assignee’s property within the Blackstone Project, an amount of Prepaid EHD TIM Fees, all as indicated below:

Assignee’s Legal Name: _____

Assignee’s Name of Subdivision or Development Project: _____

Final Map Name: _____

Per Lot/Unit/Sq.Ft. Amount of Prepaid EDH TIM Fees subject to assignment:

Single family lots	\$16,520 per lot
Multifamily units	\$10,780 per multifamily unit
Commercial sq. ft.	\$5.418 per sq. ft., up to 60,000 sq. ft.

Number of Lots/MF Units/Commercial Sq. Ft. for which Prepaid EDH TIM Fees are being assigned by Developer to Assignee:

_____ lots	Attach list of lots and copy of final map
_____ multifamily units	Attach list of units and copy of site plan
_____ commercial sq. ft.	Attach list of buildings and copy of site plan

Total Prepaid EDH TIM Fees hereby assigned by Developer to Assignee¹:

\$ _____

1. Based on the total number of lots/multifamily units/commercial sq. ft. covered by this Certificate times the corresponding per lot/unit/sq.ft. amount(s) of Prepaid EDH TIM Fees allocable thereto

DEVELOPER:

WEST VALLEY, LLC,
a California limited liability company

By: Lennar Communities, Inc.,
a California corporation,
Non-Member Manager

By: _____
Name: _____
Title: _____
Dated: _____

By: AKT Investments, Inc.,
a California corporation,
Non-Member Manager

By: _____
Name: _____
Title: _____
Dated: _____

Developer Contact:

Name: _____
Telephone: _____
E-mail: _____

ASSIGNEE/HOME BUILDER:

a _____

By: _____
Name: _____
Title: _____
Date: _____

Assignee/Home Builder Contact:

Name: _____
Telephone: _____
E-mail: _____