

**FIRST AMENDMENT TO
FUNDING, CREDIT AND REIMBURSEMENT AGREEMENT
BETWEEN WEST VALLEY, LLC AND THE COUNTY**

This First Amendment ("Amendment") to the Funding, Credit and Reimbursement Agreement between West Valley, LLC, and the County ("Agreement") dated November 8, 2005 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 the Agreement on November 8, 2005 for reimbursement to Developer for Developer's construction of certain improvements in connection with tentative map, TM99-1359, commonly referred to as the Blackstone Project, as provided for within the Agreement under which the Developer may be entitled to reimbursement from the Local Road Component of Fee Zone Number 8 of the 2004 General Plan TIM Fee Program (hereinafter "EDH TIM") and/or the 30% portion reserved for the Silva Valley Parkway Interchange set-aside (hereinafter the Silva Valley Interchange Set Aside Fund") as set forth in the Agreement;

WHEREAS, Section 9 of the Agreement further required Developer to prepay a portion of the 2004 General Plan Traffic Impact Mitigation fees through the use of Mello-Roos Act special tax bond proceeds and those 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 the Implementation Agreement Regarding Processing of Pre-paid El Dorado Hills TIM Fees (West Valley LLC) dated July 22, 2008 (hereinafter "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 potentially resulting in a delay in the reimbursement payments to Developer;

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 the 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 mutually desire to amend their Agreement to provide for Developer's waiver of objection and consent to a resulting delay in reimbursement if 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 EDH TIM after addition of that Age-Restricted category, results in insufficient cash flow to meet the annual reimbursement payments to holders of existing County reimbursement obligations;

WHEREAS, the parties simultaneously herewith desire to amend their 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 their Agreement a first time to add the following provisions to Section 10, Section 20, and Section 25 respectively. Sections 10, 20, and 25 are amended to read as follows:

10. Traffic Impact Mitigation Fee Increases:

County reserves the right to approve increases or decreases in such fees from time to time in accordance with applicable law. The fee in effect when a building permit is issued, less the amount of partial prepayment derived as described in Section 9 above, 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 the CFD 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. In the event that the fees in effect when a building permit is issued is less than the amount of partial prepayment derived as described in Section 9 above, Developer 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 be entitled to transfer or assign the resulting excess amount of the prepaid fee to a different unit/lot.

Notwithstanding any provision in this Agreement to the contrary, nothing by way of this Agreement shall be construed to require County to refund any prepaid EDH TIM fees, prepaid from the proceeds of the CFD, to Developer, its successors and assigns, or to its builders.

20. Insufficiency of Funds/No Acceleration:

In the event that the funds in a respective fee program are insufficient to pay the reimbursement obligation called for under that program within the time frame allotted herein, such insufficiency alone shall not be deemed an event of default by the County hereunder and shall not entitle Developer to accelerate any payment or payments under this Agreement or to look for alternate sources of repayment. Notwithstanding any other provision to the contrary, in no event shall Developer be entitled to accelerate any payment or payments under this Agreement, whether for insufficient funds or otherwise.

Notwithstanding any provision in this Agreement to the contrary, County shall not be precluded from modifying its 2004 General Plan TIM Fee Program 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 2004 General Plan 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.

In the event that the cash reimbursements generated from the EDH TIM fund are insufficient to fully fund the Eligible Reimbursement Costs as a result of the aforesaid modifications, inclusive of cash insufficiencies resulting from developers taking credits against EDH TIM fees in lieu of repayment triggered by cash insufficiency caused by said modifications, such insufficiencies shall not be deemed an event of default by the County hereunder, shall not entitle Developer

to pursue any remedy pursuant to Section 21(a) herein, and shall not entitle Developer to accelerate any payment or payments or to pursue any other remedies under this Agreement or as allowed by law.

25. Assignment:

Developer shall have the right to assign all or a portion of its interest in the credits and reimbursements herein upon written notice to County as provided in Section 25. In this regard, Developer shall have the right to transfer all or a portion of the credits to which it is entitled under this Agreement to one or more builders within the Project, provided it provides written notice of such transfers to the County as provided in Section 25.

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 equal to the amount of the pre-paid fees pursuant to Developer's purchase agreements with its builders.

Except as herein amended, all other parts and sections of the 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: _____

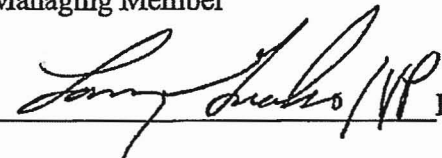
WEST VALLEY, LLC
A California Limited Liability Company

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

By:  _____ Dated: 2/13/12

And

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