

**FIRST AMENDMENT TO
ADVANCE FUNDING AND REIMBURSEMENT AGREEMENT
GREEN VALLEY ROAD IMPROVEMENTS**

This First Amendment (“Amendment”) to the Advance Funding and Reimbursement Agreement Green Valley Road Improvements (“Agreement”) dated December 12, 2000 is made by and between the County of El Dorado (hereinafter “County”) a political subdivision of the State of California, and AKT Development corporation, a California corporation (hereinafter “AKT”):

Recitals

WHEREAS, the parties entered into the Agreement on December 12, 2000 for reimbursement to AKT for AKT’s construction of certain improvements as provided for within the Agreement under which AKT is currently being reimbursed from the Local Road Component of Fee Zone Number 8 of the 2004 General Plan TIM Fee Program (referred to in the Agreement as the “RIF”) excluding the 30% portion reserved for the Silva Valley Parkway Interchange set-aside;

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 Local Road Component of Fee Zone Number 8 potentially resulting in a delay in the reimbursement payments to AKT;

WHEREAS, AKT 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 AKT’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 Zone 8 TIM fees by the balance in savings in Zone 8 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 in Zone 8.

NOW, THEREFORE, the parties agree to amend their Agreement a first time to replace **6. General Agreements Regarding Reimbursement, section 6.02 entitled**

Modification of Fee Programs, in its entirety with the following provision, Section 6.02 to read as follows:

6.02 Modification of Fee Programs.

Nothing contained herein shall affect the County's ability to modify the TIM Fee Programs, inclusive of the Local Road Component of Fee Zone Number 8 of the 2004 General Plan TIM Fee Program (referred to in the Agreement as the "RIF" and hereinafter referenced as the "RIF") as required by law, or as required in conjunction with other land use decisions such as re-adoption of the General Plan. The foregoing shall not be construed as obligating the County to, or precluding the County in its sole discretion from, increasing or decreasing the amounts of its TIM Fee Programs, inclusive of the "RIF".

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 TIM Fee or RIF 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.

AKT acknowledges that County has entered into subsequent reimbursement agreements but that as of the date of this Amendment those other agreements have not placed AKT in a diminished position with regard to the reimbursement of the Sophia Improvement. In the event that the cash reimbursements generated from the "RIF" fund are insufficient to fully fund the Reimbursement Obligations as a result of the aforesaid modifications, inclusive of cash insufficiencies resulting from developers taking credits against RIF 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 be deemed an event of default under Section 5.02.8, and shall not entitle AKT to accelerate any payment or payments or to pursue any other remedies under this Agreement or as allowed by law.

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Except has 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 the Department of Transportation

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

-- COUNTY OF EL DORADO --

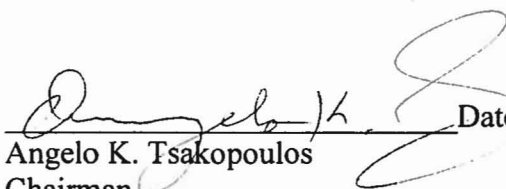
Dated: _____

By: _____
Chairman
Board of Supervisors
"County"

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

By: _____ Dated: _____

**AKT DEVELOPMENT CORPORATION,
A California Corporation**

By:  _____ Dated: _____
Angelo K. Tsakopoulos
Chairman

By:  _____ Dated: _____
Chris Donnelly
Corporate Secretary