

ADVANCE FUNDING AND REIMBURSEMENT AGREEMENT

GREEN VALLEY ROAD IMPROVEMENTS

*Includes
Sophia Parkway*

THIS AGREEMENT ("Agreement") is entered into as of 12-12-²⁰⁰⁰~~2001~~ by and between the County of El Dorado, a political subdivision of the State of California ("County") and AKT Development Corporation, a California corporation ("AKT") with reference to the following facts:

RECITALS

A. AKT either owns, or is in the process of acquiring that certain real property situated in El Dorado County, California, comprising the "Promontory Specific Plan" approved by the County on November 4, 1997 and modified on September 28, 1999, which property is more particularly described on Exhibit "A" attached hereto (the "Property").

B. The Property is comprised of approximately 999.0± acres, and is designated Villages 1 through 8 and a Village Center, containing 1100± residential units and 6± acres of commercial uses. A final map has already been recorded with respect to Village 6, Unit 1, and a tentative map has been issued with respect to Villages 1-5 (referred to throughout as "the Tentative Map") of the Property.

C. In connection with the development of Villages 1-5 of the Property, the County has determined that certain improvements to Green Valley Road within the County are necessary and desirable in order to comply with the County's General Plan to mitigate the traffic impacts of the proposed development of the property and to provide safe and adequate vehicular circulation, which improvements are more particularly described on Exhibit "B" attached hereto (the "GVR Improvements"). Accordingly, the County has included the GVR Improvements within its Capital Improvement Plan ("CIP") in order that the GVR Improvements will be financed through the collection of the El Dorado Hills Salmon Falls Road Impact Fees ("RIF Fees") and the West Slope Traffic Impact Fees ("TIM Fees").

D. The County has further determined that the eventual construction of Sophia Parkway (also sometimes referred to as Russell Ranch Road) from Green Valley Road to East Natoma Street in the City of Folsom ("the City of Folsom Connection") will be of regional benefit to the County, and that the construction of such road will be necessary and desirable at some point in the future in order to comply with the County's General Plan and provide safe and adequate vehicular circulation, which improvements are more particularly described on Exhibit "C" attached hereto (the "Sophia Parkway Improvements"). Accordingly, the County will include a portion of these improvements in the RIF Fees Program so they may be financed with RIF Fees.

E. The County has determined that RIF Fees sufficient to fully pay for the construction of the above-referenced improvements will not be available for several years, but the commencement of

the GVR Improvements are required immediately in connection with the development of Villages 1-5 of the Property in order to comply with the County's General Plan requirements relating to the level of service and the conditions of approval for the Tentative Map.

F. AKT is willing to provide advance funding, as part of its development plans for the Promontory Specific Plan and the Tentative Map, for a portion of the construction of the GVR Improvements, provided that AKT is reimbursed for said advance. AKT may also construct the Sophia Parkway Improvements for which the County is willing to reimburse them from RIF Fees for a portion of the costs. The parties desire to enter into this Agreement in order to set forth the terms and conditions under which AKT is to provide such advance funding and construction, and the manner in which County is to receive said advances and reimburse AKT for same.

NOW, THEREFORE, in consideration of the promises herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Tentative Map.** AKT, or AKT's successor in interest, intends to develop the Property, and the County has already approved a final subdivision map for the portion of the Property known as Promontory Village 6, Unit 1 and has approved a tentative subdivision map for that portion of the Property known as Promontory Villages 1-5 (the "Tentative Map").

2. **Improvements.** The Improvements to be financed and/or constructed, pursuant to this Agreement, fall into two (2) separate categories as follows: (a) the GVR Improvements; and (b) the Sophia Parkway Improvements. The respective rights and obligations of each of the parties hereto with respect to each set of improvements are set forth more specifically below.

3. **GVR Improvements.** With respect to the GVR Improvements, the parties hereby agree as follows:

3.01 **Nature of Improvements.** The GVR Improvements involve the widening of the currently existing Green Valley Road in El Dorado County as described on Exhibit "B" attached hereto, consistent with Conditions of Approval set forth in the Tentative Map, including without limitation, Condition No. 1 thereof. These improvements are comprised of the following four (4) components: (i) "Base Construction (referred to herein also as Construction Draw, Base)"; (ii) "Non-Base Construction"; (iii) "Right of Way Acquisition"; and (iv) "Utility Relocation", with an aggregate estimated cost, in current dollars, of Seven Million Twenty-Six Thousand Dollars (\$7,026,000), all as set forth in greater detail on Exhibit "D" hereto. The estimate of costs set forth in Exhibit "D" is exemplary only. Condition No. 1 of the Tentative Map herein requires AKT to fund all work, all rights and necessary entitlements, and fund all other action necessary to construct the improvements referenced in Exhibit "D", "Construction Draw, Base", notwithstanding whether the actual costs attributable to the improvements are greater than the estimated cost set forth on Exhibit "D".

3.02 Advanced Funding by AKT. AKT shall provide advanced funding for a portion of the GVR Improvements as follows:

(a) **Amount of Advances:** AKT shall advance all actual costs and expenses for that portion of the GVR Improvements included in the Construction Draw, Base (hereinafter referred to as the "Advance" or collectively the "Advances") comprised of three initial deposits (the "Initial Deposits") providing advance funding for each phase of construction of the Base Construction of the GVR Improvements, and any amounts due after reconciliation of each such phase of construction of the GVR Improvements to the corresponding Initial Deposit (the "Reconciliation Payment") in accordance with this section. Each Initial Deposit shall be determined based on the bid prices for the Base Construction components of the work plus the actual cost of engineering provided by the County, plus 15% for contingencies and 12 % for construction management, testing and inspection. AKT acknowledges that it has examined to its satisfaction the scope, nature, and estimated cost of the proposed improvements, and agrees to advance the full costs as calculated above, without limitation as to amount, and specifically agrees that its obligations are not limited by any estimates previously made or included in this Agreement. At the conclusion of each phase of construction of the GVR Improvements, the Reconciliation Payment shall be determined by the County by deducting the actual costs of that phase of the Base Construction portion of the project from the Initial Deposit. Initial Deposit amounts in excess of the actual costs for that phase shall be refunded to AKT; any actual costs and expenses for that phase in excess of the Initial Deposit shall be funded by the Reconciliation Payment. Upon 10 days of receipt of the reconciliation from the County, the applicable party shall immediately make the appropriate refund to AKT or Reconciliation Payment deposit with the County.

The Advances shall be used by the County exclusively for the engineering, design, construction and other Base Construction costs related to the GVR Improvements in accordance with applicable laws and map conditions. AKT shall make the Initial Deposits in three (3) separate increments after the bid openings for each of the three anticipated construction contracts and within 15 days of notification from the County of the amount of the Advances. The schedule for each Initial Deposit is estimated below. The County agrees not to request each Initial Deposit sooner than each of the estimated dates.

<u>Estimated Funding Date</u>	<u>Estimated Initial Deposits</u>
actual - 7/31/01 May 1, 2001 (subject to bid process)	\$ 2,200,000 (<i>Actual 3.39m</i>)
March 1, 2002 (subject to bid process) 7/02	\$ 1,200,000
March 1, 2003 (subject to bid process)	<u>\$ 1,000,000</u> <u>\$ 4,400,000</u>

In the event a funding date falls on a weekend or holiday, the funding date shall be deemed to be the next business day immediately following the specified funding date.

Additionally, the following two items, though not to be included in the bid process for determining the amount of the Initial Deposits, will be included within the principal amounts of the Advances to be reimbursed to AKT: with reference to the costs for Roadway Fill Material the amount to be reimbursed and the timing of said reimbursement shall be in accordance with Section 3.02(f); and with respect to engineering services contracted by AKT, to the extent any portion of the engineering costs related to the scope of the first phase of construction has already been paid by AKT prior to the initial funding date, but after the date of this Agreement, and such amount has been approved by the County, that amount shall be included in the principal amount of the Advance and be eligible for reimbursement, provided that the County may validly reimburse for that prior work.

(b) **Deposit Account:** The Advances shall be provided by AKT in the form of a cashiers check, or electronic fund transfer to the County on the applicable funding date. The County shall deposit the Advance into a segregated interest-bearing trust, the Green Valley Advance Trust fund (the "Trust"), with the County. Upon deposit into the Trust, AKT relinquishes all rights to the Advance, subject to the interest, use, and reimbursement provisions as provided in this Agreement. During the period of time that the Advance, or any portion thereof, remains in the Trust, then AKT shall be entitled to the interest on the remaining principal accrued thereon in accordance with this section. County may draw down and transfer the Advance in incremental amounts or in its entirety, in its discretion. At such time as the County has drawn down the entire Advance from the Trust, interest thereon to AKT shall then cease except as provided in Section 3.02(c) below. The expenditure detail of such transfers shall be made available to AKT. Interest paid to AKT under this section shall accrue at the County Treasurer's pooled rate of funds, compounded monthly and be paid to AKT on a quarterly basis, calculated from the date of deposit, by the 20th of the month following the quarter ending date.

(c) **Interest on Advances.** Except as described in (b) above, no interest shall accrue or be payable with respect to the Advances until four years from each respective funding date. From and after these dates, to the extent all or any portion of the Advances remain outstanding and have not been repaid pursuant to the reimbursement provisions referenced below, the same shall accrue interest from that date at the County Treasurer's pooled rate, compounded annually, until the earlier of the following dates: (i) the unconditional repayment in full of all Advances and accrued interest thereon, or (ii) ten years from each funding date, after which time the interest accrual on the Advances referenced in this Section 3.02(c) shall cease.

(d) **No Bonding Requirements.** AKT shall not be required to post any bond, surety other security or undertaking to secure the payment of the Advances by AKT pursuant to Section 3.02(a) above or the performance of any other obligation of AKT under this Agreement.

(e) **Engineering Services.** AKT shall be responsible for arranging and causing to be delivered to the County, in accordance with all applicable laws, statutes, orders, and map conditions, all design and engineering services required for construction of the first year construction project improvements in the commercial area, said project including the GVR Improvements described in items 1, 2 and 4 of Exhibit B; such costs, if eligible in accordance with Section 3.02 hereinabove, to be

reimbursed pursuant to Section 3.02. For all such GVR Improvements for which AKT performs, or contracts with a third party to perform, engineering services, AKT shall provide to the County an indemnity provision between the County and AKT, or between the County and the third party contractor, to the satisfaction of the County, in the following form: Engineer shall indemnify and hold the County harmless against and from any and all claims, suits, losses, damages and liability for damages of every kind and description, including reasonable attorneys fees and costs incurred, brought for or on account of injuries to or death of any person, including but not limited to workers, County employees, and the public, or damage to property, or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with the performance of the engineering services performed by Engineer; provided however, and without limiting the scope of the duty of Engineer to defend the County, the foregoing indemnification shall only extend to Engineer's proportionate share of negligence or fault. AKT shall also provide proof of adequate professional liability insurance of the engineer running to the County, and shall provide for the complete assignment of ownership of all plans and specifications to the benefit of the County.

(f) **Roadway Fill Material.** For a period of two (2) years from the date of the first Initial Deposit, AKT has, or will have, approximately 40,000 to 50,000 cubic yards of excess material generated from the grading operation of their Promontory project. If this material is suitable for use as roadway embankment, AKT agrees to stockpile the material, as provided below, and make it available to County for use in the GVR Improvements.

AKT has already stockpiled approximately 40,000 cubic yards of soil at the Promontory Village Center. To the extent County desires such soil, it shall be responsible for coming to the existing stockpile location and loading and transporting the same at County's cost. AKT shall not be required to transport all or any portion of such 40,000 cubic yards of soil to any new stockpile location.

To the extent County requires additional soil material beyond the 40,000 cubic yards referenced above, AKT agrees to stockpile up to an additional 10,000 cubic yards. If able to acquire the access rights from the property owner, and a Stockpiling Permit from the County, AKT shall stockpile the additional 10,000 cubic yards of material on the property owned by Richard P. Kniesel south of Green Valley Road and west of the Sophia Parkway alignment (Kniesel property). In the event such stockpiling is not possible, the 10,000 cubic yards shall be stockpiled at the Promontory Village Center. In either event, County shall be responsible for loading and transporting the soil, at its cost. AKT shall then make this material available to the County's contractor(s) for use in the construction of the GVR Improvements. AKT shall not charge the contractor(s) for the material or be compensated in any way except as provided below.

County, if it elects to use the fill material, agrees to include provisions in its GVR Improvements contract(s) extending insurance and indemnity provisions provided by the Contractor(s) to the County, also to AKT and Kniesel as it relates to Contractor's activities with reference to the fill material. County agrees to include language in the construction contract(s) requiring the contractor to leave the site in a condition consistent with the requirements of any stockpiling permit. County further

agrees to give AKT & Kniesel 15 days notice prior to entering site and removing some or all of the material.

County agrees to pay, and AKT agrees to accept, \$3.95 per in-place cubic yard for use of the fill material. County, and AKT at its discretion, will monitor the areas within the GVR Improvements where the material taken from the stockpiling site is placed for purposes of later determining the quantity of the materials used. For each construction contract, County shall perform an in-place quantity calculation of these areas to determine the cubic yards of material placed in the GVR improvements, said cubic yards to be multiplied by \$3.95 to determine the amount of compensation to be paid AKT.

The calculated amount shall be reimbursed to AKT in the same manner as other Advances provided. For calculation purposes, the date of the dirt advance shall be the last day the dirt is removed from the stockpile site under each construction contract.

3.03 Construction/Funding by County. The County shall do the following with respect to the GVR Improvements:

(a) **Funding of Costs.** The County shall be responsible for funding, or arranging for the funding, of all costs, fees and expenses related to the design, engineering, construction and completion of the GVR Improvements to the extent not included within the Construction Draw, Base costs to be funded by AKT pursuant to Section 3.02(a) above. The County may, at its discretion, initially fund any Construction Draw, Base costs using the Road Fund discretionary monies, subject to the right to reimburse such amounts to the Road Fund from the Trust referenced in Section 3.02(b) above. Such reimbursement shall have first priority for repayment from the Trust before payment to AKT.

(b) **Construction.** The County shall be solely and exclusively responsible for constructing and delivering the GVR Improvements as provided herein and for entering into all necessary contracts and agreements with third parties relating thereto, including without limitation, all rights of way acquisition agreements, construction agreements, utility agreements and agreements with contractors, subcontractors or the providers of any materials, labor, equipment or services. All such improvements shall be constructed by the County in accordance with all applicable laws, statutes, orders, plans and map conditions.

(c) **Review by AKT.** AKT shall have the opportunity to provide comment on the County's construction of the GVR Improvements in order to lend their expertise and knowledge to the process. This participation by AKT is at the review and comment level only, with construction management and approval remaining solely within the discretion of the County. Additionally, AKT agrees to cooperate with the County in reviewing the plans, specifications, budgets and schedules for the GVR Improvements and the construction progress relating thereto, and where requested by County provide the County with its input, suggestions and comments. In connection therewith, the County

agrees to provide AKT with quarterly reports detailing expenditures incurred by the County and reimbursed from the Trust.

4. **Repayment of GVR Improvement Advances.** The repayment of the Advances, together with any interest accrued thereon in accordance with Section 3.02(c), shall be made to AKT by the County exclusively from the designated RIF fees in accordance with the provisions herein below. RIF Fees will be collected within and outside the Property, when building permits are pulled for any residential lot or upon certificate of occupancy on commercial lots.

4.01 **Distribution of RIF Fees Within the Promontory.** Until such time as the Advances (together with any accrued interest thereon) have all been unconditionally repaid in full (such date being the "Repayment Date"), the County hereby acknowledges and agrees that all RIF Fees generated by Villages 1-5 of the Property shall be applied, paid and used solely and exclusively for the following three (3) purposes:

- (i) The 30% set aside for the Silva Valley Interchange (Silva Valley Set-aside);
- (ii) El Dorado Hills Investors (hereinafter "Serrano") is entitled to 20% of the remaining 70% during any annual period where Serrano has a qualified, unsatisfied claim for reimbursement resulting from the Silva Valley Parkway reimbursement agreement, dated November 8, 1994 entitled Agreement for Reimbursement for Road Improvement Costs (The "Serrano Set-aside");
- (iii) The remaining amount, the "Promontory RIF Component", to be deposited in the trust account, designated as the Promontory Reserve Trust, and paid to AKT quarterly in accordance with the provisions herein below .

Within Promontory Villages 1-5, the County shall deposit a portion of the RIF fee collected, after priority set asides described herein below , into a trust fund designated as the Promontory Reserve, to be calculated as follows: Of the total RIF collected within the Promontory Villages 1-5, 30% shall be deposited into the Silva Valley Set-aside fund. Of the remaining 70%, 20% of the 70% (14%) shall be set aside in the Serrano Set-aside fund, pending submission of a subsequent qualified claim for reimbursement. The remaining 80% of the 70% (56%) will be deposited into the Promontory Reserve Trust.

The County hereby agrees that, until the Repayment Date, it shall not divert, allocate or otherwise use any, or commit any of the RIF Fees generated by Promontory Villages 1-5 of the Property for any other purposes or uses other than hereinabove or increase the percentages of the Silva Valley or Serrano Set-asides, and that AKT shall in all events have a first (1st) priority call with respect to the Promontory RIF Component for the repayment of the Advances and interest thereon as set forth herein.

(a) **Calculation of the Serrano Set-Aside.** Until the Repayment Date, at the end of each calendar year commencing at the end of 2001, County shall review any claims for reimbursement by Serrano, or their successors, in accordance with the Serrano Set aside reimbursement obligations. In the event that County determines that no portion of the 20% set-aside is due to be reimbursed to the Serrano for that given year, then County shall thereafter transfer the set-aside to the Promontory Reserve Trust, and the same shall be paid over to AKT on the following January 20th for application against the outstanding Advances and interest. The determination of whether Serrano has submitted a qualified claim for reimbursement under the Serrano Set-aside shall rest solely and exclusively with the County.

(b) **Quarterly Accounting/Reimbursement.** Each calendar quarter, commencing with the first quarter after the County receives the Initial Deposits and continuing each July 20th, October 20th, January 20th and April 20th thereafter until the Repayment Date, the County shall provide AKT with a written accounting showing the following: (i) the total amount of building permits for residential construction and occupancy permits for commercial uses issued and/or paid for during the immediately preceding three (3) calendar months within Property, together with the calculation of the Promontory RIF Component aggregate; and (ii) life -to- date running total of the Promontory RIF Component through the date of the quarterly accounting then being provided. Each such quarterly report shall also be accompanied by a check (payment) payable to AKT in the full amount of any and all deposits into the Promontory Reserve Trust generated during the preceding three (3) calendar months, to the extent Advances or interest thereon are outstanding. Each such quarterly calculation shall be made available to AKT for their review; and County shall supply AKT with all backup documentation reasonably necessary thereto.

(c) **Timing of Application.** As the payments referenced above are made, the Advances (together with any interest accrued thereon) shall be deemed repaid and reimbursed on a dollar-for-dollar basis by the amount of each payment received by AKT. All such amounts shall be applied to the following obligations in the following priority: first, against any interest accrued on the Advances, until such interest is paid in full; second, against the outstanding principal amount of the Advances until paid in full. For purposes hereof, such application shall be deemed to occur on the date(s) such payments are actually received by AKT, if delivered in person, or 2 business days after mailing when sent certified mail.

4.02 Distribution of Non-Promontory RIF Fees. In addition to the Promontory RIF Component referenced in Section 4.01 above, AKT shall also be entitled to annual reimbursement from the County in an amount of up to a maximum of fifty percent (50%) of all discretionary RIF Fees, after set asides, to the extent of outstanding Advances and interest, collected by the County with respect to property other than Villages 1-5 of the Property as follows:

(a) **Calculation.** AKT's share of these outside discretionary RIF Fees shall be calculated by taking all RIF Fees collected by the County within a given calendar year relating to projects and property other than Villages 1-5 of the Property (collectively, the "Gross Outside RIF

Fees”), subtracting from this amount the following four (4) amounts (such difference being the “Net Outside RIF Fees”):

- (i) The 30% Silva Valley Set-aside;
- (ii) The Serrano Set-aside (20% of the remaining 70%) for properties outside the Property, and outside the El Dorado Hills Community Facilities District;
- (iii) 50% of the remaining 70% Serrano Set-aside for properties outside the Property, and inside the El Dorado Hills Community Facilities District; and
- (iv) With respect to fees collected in connection with property located south of Highway 50, within the RIF area, 75% of the remaining fees as set aside through prior Board action;

and then multiplying the Net Outside RIF Fees by fifty percent (50%) (such net 50% being the “50% Outside RIF Component”). The 50% Outside RIF Component shall be calculated annually as provided herein and constitutes the maximum amount of outside RIF Fees that AKT shall be entitled to in any given year. AKT may receive all or only a portion of such 50% Outside RIF Component depending upon the amount of Advances, and interest thereon, still outstanding as of the date such component is calculated, but in no event shall the amount AKT receives exceed the amount of reimbursement then due and owing for the Advance. To the extent that the amount of the Outside RIF Component calculated exceeds the amount of outstanding Advances plus interest, any restrictions on the use of the excess 50% Outside RIF Component funds shall be deemed eliminated and of no further effect.

County shall go through the same review and determination process with respect to the Serrano Set-aside as referenced in Section 4.01(a) above.

(b) **Priority Right.** Until the Repayment Date, the County shall set aside the 50% Outside RIF Component for the sole and exclusive purposes of fully reimbursing such Advances and interest. AKT shall have a first (1st) Priority Right and call on and with respect to the 50% Outside RIF Component for purposes of repaying such Advances and interest, and the County shall not divert, allocate or otherwise use or commit any portion of the 50% Outside RIF Component for any other purposes, or increase the percentage of the Silva Valley, Serrano, or other Set-asides referenced in Section 4.02(a) above.

(c) **Annual Accounting/Payment.** Each year, commencing January 20, 2002, and continuing each January 20th thereafter until the Repayment Date, the County shall provide AKT with a written accounting reflecting the following:

- (i) The calculation of the 50% Outside RIF Component for the immediately preceding calendar year (which calculation shall be made in accordance with Section 4.02(a) above); and
- (ii) The total amount of all Advances whenever made, together with any interest accrued thereon, currently outstanding as of the date of such accounting after giving effect to the quarterly application of the Promontory RIF Fee Component pursuant to Section 4.01 above with respect to the immediately preceding calendar year (the "Outstanding Advance Amount").

AKT shall have the reasonable right to review such annual accounting. Such accounting shall be accompanied by supporting documentation reasonably necessary for AKT to properly review the calculations set forth in the accounting. The accounting report will also be accompanied by payment to AKT of an amount equal to the lesser of the current balance due for reimbursement of advances or the calculated amount of the 50% Outside RIF Component for that year.

(d) Timing of Application. As the annual accountings and payments referenced above are made with respect to the 50% Outside RIF Component calculations, the Advances (and interest thereon) shall be deemed repaid and reimbursed on a dollar-for-dollar basis by the amount of any payments made to AKT with respect to the 50% Outside RIF Component. All such amounts shall be applied first to any interest accrued on the Advances until paid in full, and then against any outstanding principal amount of the Advances. For purposes hereof, such application shall be deemed to have occurred on the date that such payments are actually received by AKT, by personal delivery, or 2 business days after actually mailing by certified mail.

5. Sophia Parkway Improvements. With respect to the construction of the Sophia Parkway Road Improvements, the parties agree as follows:

5.01 Nature and Construction. Sophia Parkway (also referred to in the Specific Plan and in the Conditions of Approval to the Tentative Map as Russell Ranch Road), has been planned as a four-lane roadway extending from Green Valley Road south through the Promontory Specific Plan Area and connecting to East Natoma Street in the City of Folsom. When constructed as ultimately planned, this roadway will provide parallel capacity to portions of Green Valley Road and in doing so would benefit not only the Project but the RIF Fees area as well. The County recognizes this potential regional benefit of Sophia Parkway and will add it to the RIF Fees program.

The Conditions of Approval for the Tentative Map, including Condition No. 2 thereof relating to roads, require that Sophia Parkway be constructed from Green Valley Road to various locations within the Villages 1-5 subdivision in certain phases. If constructed solely in accordance with the requirements of these conditions, the Sophia Parkway Road would be two lanes and not rise to the level of a regionally benefiting road; and, therefore, would not be eligible for reimbursement from the collection of RIF Fees.

Although not required by such Conditions of Approval, AKT may, conditioned upon County's concurrence, elect to go beyond the requirements for Sophia Parkway referenced in the Conditions of Approval for the Tentative Map by adding two lanes, and design, construct and connect four lanes for Sophia Parkway between Green Valley Road and East Natoma Street in the City of Folsom as described on Exhibit "C" hereto, all in accordance with applicable laws, statutes and conditions (such improvements being referred to herein as the "Sophia Parkway Improvements"). The County has determined that the construction of the Sophia Parkway Improvements would constitute road improvements conferring regional benefit to the County; and therefore, the County shall, to the extent it has not done so as of the date hereof, include these improvements within the CIP in order that the Sophia Parkway Improvements would be reimbursable through the collection of RIF Fees.

5.02 Reimbursable Portion. In the event AKT elects to construct the Sophia Parkway Improvements, AKT shall be entitled to reimbursement for fifty percent (50%) of the reimbursable costs relating to such improvements (such 50% amount being the "Reimbursable Sophia Parkway Component"). The reimbursable components of the project are set forth on Exhibit "E"; however the County reserves the right to defer construction of the inner two travel lanes and the traffic signals to a future time. Should the County defer these improvements, AKT will not be eligible for reimbursement for the first two travel lanes; however reimbursement will be made for the remaining eligible items. In the event of deferral, and provided AKT completes the remaining reimbursable components, the County will be responsible for 100 % of the costs associated with adding the final two inner travel lanes.

In the event that AKT elects to engineer and/or construct Sophia Parkway Improvements, all engineering and construction work shall be in accordance with all applicable state and local rules, regulations, and ordinances, including but not limited to, Public Contract code and County bidding requirements, Labor code prevailing wage requirements, and State licensing regulations, and the County's Guidelines for Road Impact Fee/Traffic Impact Fee Reimburse Reimbursement Projects.

Eligibility for reimbursement shall not occur until after the Repayment Date for all Advances for GVR Improvements, and after the connection of a minimum of the two lanes for Sophia Parkway between Green Valley Road and East Natoma Street in the City of Folsom, the City of Folsom Connection. Reimbursement shall be based on actual costs incurred and in conformance with the County's Guidelines for Road Impact Fee/Traffic Impact Mitigation Fee. Reimbursement shall be processed as follows:

5.02.1 AKT shall construct improvements in conformance with the Guidelines for Road Impact Fee/Traffic Impact Mitigation Fee Reimbursement Projects in order to be eligible for reimbursement from the RIF.

5.02.2 AKT shall, upon completion of project, or a County-approved phase thereof so long as the City of Folsom Connection has occurred, submit a Developer Reimbursement Request Form in accordance with section 6.1 of the Guidelines for Road Impact Fee/Traffic Impact Mitigation Fee Reimbursement Projects.

5.02.3 No interest will accrue on the reimbursement amount except as described in Section 5.02.6 below.

5.02.4 If the improvements are accepted by the County, the first reimbursement payment of \$600,000 will be made on the January 20th that occurs at least four, but no more than five, years from the City of Folsom Connection and after the County accepts the improvements. County shall use all reasonable diligence in processing the project for acceptance once improvements are completed.

5.02.5 County shall pay \$600,000 on January 20th of each year thereafter until the improvement is fully reimbursed. Reimbursements shall be made from any remaining unobligated RIF funds.

5.02.6 If in any given year County does not receive sufficient revenue in the RIF, net of set-asides as described in Sections 4.01 and 4.02(a), and to the extent all Advances for GVR Improvements have been made as referenced in 3.02 above, to make the \$600,000 payment, any annual unpaid residual shall bear interest at the Treasurer's pooled rate of funds, compounded annually from the due date.

5.02.7 In the event that circumstances described in Section 5.02.6 exist, then subsequent payments will be applied first to the next annual payment and secondly to the unpaid residual plus interest. County shall attempt to pay both the \$600,000 annual payment and the outstanding unpaid residual plus interest in the next year.

5.02.8 County shall not enter into subsequent reimbursement agreements that place AKT in a diminished position with regard to the reimbursement of the Sophia improvement.

5.02.9 Notwithstanding any other provision in this Agreement, or the Guidelines for Road Impact Fee/Traffic Impact Mitigation Fee Reimbursement Projects, in no event shall interest accrue after ten years after the County accepts the improvements.

6. **General Agreements Regarding Reimbursement.** With respect to the reimbursements in favor of AKT relating to the repayment of the Advances (together with interest thereon) and the Reimbursable Sophia Parkway Component (collectively, the "Reimbursement Obligations"), the parties hereby generally agree as follows:

6.01 **Source of Funds.** AKT acknowledges and agrees that the sole source of funds that AKT shall look to for the repayment of the Reimbursement Obligations shall be the unobligated RIF funds in the case of Sophia Parkway, and the Promontory RIF Component and/or the 50% Outside RIF Component as set forth in Section 4 hereinabove in the case of the Advances plus interest thereon as provided in this Agreement, and that the County shall not be required to fund the Reimbursement Obligations from any other funds or revenues, including but not limited to, the County General Fund, in the event the fees generated within the RIF are insufficient to fully fund the Reimbursement

Obligations. The County hereby agrees to include and prioritize the Reimbursement Obligations in favor of AKT set forth in this Agreement in the update of its CIP; to make all payments, credit applications, accountings, prioritizations and set asides relating to the Promontory RIF Component and 50% Outside RIF Component, as applicable, in strict accordance of the terms of this Agreement; and to take all other actions consistent therewith.

6.02 Modification of Fee Programs. Nothing contained herein shall affect the County's ability to modify the RIF and/or TIM Fee Programs as required by law, or as required in conjunction with other land use decisions such as re-adoption of the General Plan. The County hereby agrees that it shall not take any other discretionary action to reduce the per parcel or use amount of the designated RIF Fee on a RIF-wide basis. The foregoing shall not be construed as obligating the County to, or precluding the County in its sole discretion from, increasing the amounts of its RIF Fee programs or seeking, at its sole option, additional sources to fund the repayment of the Reimbursement Obligations.

6.03 Insufficiency of Funds/ No Acceleration. In the event that the cash reimbursements generated by the Promontory RIF Component, the Sophia Parkway Component, and the 50% Outside RIF Component are insufficient to fully fund the Reimbursement Obligations as provided for in this Agreement, such insufficiency alone shall not be deemed an event of default by the County hereunder and shall not entitle AKT to accelerate any payment or payments under this Agreement. Notwithstanding any other provision to the contrary, in no event shall AKT be entitled to accelerate any payment or payments under this Agreement, whether for insufficient funds or otherwise.

6.04 Exclusive Remedies. The parties may exercise the following respective remedies, which shall be deemed to be the sole and exclusive remedies under this Agreement for the failure of a party to undertake any action under this Agreement that it is obligated to take:

- (i) In the event that County fails to make any otherwise available cash reimbursements or credit applications to AKT as and when provided in this Agreement where such failure continues for a period of twenty (20) calendar days after delivery of written notice of such default from AKT to County, AKT may initiate legal and/or equitable action, including specific performance, for repayment from the designated repayment sources;
- (ii) In the event that County fails to make or observe any of the set-asides, accountings or prioritizations as and when provided in this Agreement where such failure continues for a period of twenty (20) calendar days after delivery of written notice of such default from AKT to County, AKT may initiate appropriate legal and/or equitable action, including specific performance, to secure the set-aside, accounting or prioritization;
- (iii) In the event that County fails to observe any of its other agreements contained in this Agreement with respect to the any of the foregoing, including without

limitation, County's agreements to include and prioritized the GVR Improvements and the Sophia Parkway Improvements within the CIP as contemplated herein, AKT may initiate appropriate legal and/or equitable action, including specific performance, to mandate the County action; and

- (iv) In the event that AKT fails to make any of the Advances, including the Initial Deposits or the Reconciliation Payments, County may, at its discretion take one or more of the following actions including (a) initiate an action for specific performance, and/or (b) withhold issuance of building permits on the Property for the period of time that the payment remains due and outstanding;

7. **Rights to Building Permits.** Contingent on AKT providing all necessary engineering for the construction of the Base Construction Improvements, in the form camera ready, 100% complete, by May 1, 2001, and AKT making the first Initial Deposit for the Construction Base, Draw, as provided for and calculated after receipt of bids in accordance with Section 3.02(a), and further provided that solicitation of bids has not been delayed beyond the 2001 construction season by reasons beyond the control of the County, then AKT shall have the right to proceed to pull building permits, and, subject to all other conditions and approvals of the Building Department, obtain certificates of occupancy, except however, that in the event that AKT fails to make any subsequent Initial Deposit or Reconciliation Payment, then AKT's right to continue to pull building permits shall cease by and until AKT complies with the terms and conditions for making Advances under this Agreement. In the event that AKT has made all of the Advances sufficient to construct all of the Construction Draw, Base, Improvements as described in Exhibit "D", but the County fails to construct any or all said improvements, and that failure is not due to acts or events beyond its control or acts or occurrences described in Section 9 herein, AKT shall be entitled to the continued issuance of building permits and certificates of occupancy on the Property, notwithstanding the provision of Condition No. 1 of the Tentative Map that provides that County shall commence construction of the GVR Improvements before AKT is entitled to proceed, subject to the prior satisfaction of all other conditions of the Tentative Map.

8. **Supremacy.** In the event of any inconsistency between the terms of this Agreement and the terms of any other agreement between the County and AKT regarding the subject matter of this Agreement, including, without limitation, the Conditions of Approval for the Tentative Map, the terms of this Agreement shall prevail.

9. **Force Majeure.** With respect to any construction obligations hereunder, any prevention, delay or stoppage due to strikes, lockouts, acts of God, total inability to obtain labor or materials or reasonable substitutes therefore, governmental restrictions, regulations or controls, enemy or hostile governmental action, civil commotion, or other causes beyond the reasonable control of any party obligated to perform any construction obligations hereunder, shall extend the period for performance by such party of such construction obligations for a period equal in days to the period of delay resulting from such prevention, delay or stoppage.

10. Miscellaneous.

10.01 Interpretation. This Agreement has been executed in California, and shall be governed by and construed in accordance with the laws of the State of California. Any legal action to enforce the provisions of this Agreement may be commenced only in the Municipal or Superior Court of the County of El Dorado, State of California. Each party waives any and all removal rights, including California Code of Civil Procedure Section 394.

10.02 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, administrators and assigns; provided, however, the right to cash reimbursements and credits referenced herein shall not run with the land but shall be personal to AKT, or the person providing the advanced funding pursuant to this Agreement. The parties specifically agree that the sale or assignment of the Property, or any portion thereof, shall not in and of itself be deemed a transfer or assignment of any reimbursements and credits described herein. Notwithstanding the foregoing, nothing contained herein shall limit or prevent AKT from expressly transferring or assigning all or any portion of such credits or reimbursements, regardless of whether such transfer or assignment is done in connection with the transfer of all or any portion of or interest in the Property, or otherwise.

10.03 Time of Essence. Time is of the essence of this Agreement and of the agreements provided for herein.

10.04 Attorneys' Fees. In the event either party shall commence legal proceedings, including any alternative dispute resolution proceedings, for the purpose of enforcing any provision or condition hereof, or by reason of any breach arising under the provisions hereof, then the successful party in such proceedings shall be entitled to reasonable attorneys' fees, costs and expert witness fees as may be determined by the Court, arbitrator or referee.

10.05 Integration. This Agreement, together with the Exhibits attached hereto, contains the complete and entire agreement of the parties hereto, and supersedes any prior written or oral agreements between them concerning the subject matter contained herein. This Agreement may be modified only by a writing signed by all of the parties hereto.

10.06 Counterparts. This Agreement may be signed in identical counterparts, all of which shall constitute one instrument.

10.07 Additional Documents. From time-to-time during the terms of this Agreement, each party shall execute and deliver such other documents as may be reasonably requested by the other party to evidence or carry out the purpose and intent of this Agreement.

10.08 Notice. Any notice required or desired to be given by either party to this Agreement to the other pursuant to or with respect to this Agreement shall be in writing and shall be (i) personally served, (ii) transmitted via facsimile to the number and to the attention of the person

indicated below (provided, however, any facsimile transmittal sent on a non-business day or after 5:00 p.m. on a regular business day shall not be effective until 8:00 a.m. of the immediately following regular business day), or (iii) given by depositing such notice in the United States first-class mail, postage prepaid, addressed to the other as follows:

AKT: AKT Development Corporation
7700 College Town Dr., Suite 101
Sacramento, CA 95826
Fax No: (916) 353-0552

County: El Dorado County
Department of Transportation
Attn: Director
2850 Fairlane Court
Placerville, CA 95667
Fax No: (530) 626-0387

With a copy to:

El Dorado County
Office of Chief Administrative Officer
Attn: Chief Administrative Officer
330 Fair Lane
Placerville, CA 95667
Fax No: (530) 626-5730

Any notice shall be deemed to have been given as follows: (i) if by personal delivery, then upon actual receipt; (ii) if by facsimile transmission, then upon such transmittal as evidenced by a standard "Fax" confirmation and followed by the original sent via the United States mail; or (iii) if by first-class mail, then on the third (3rd) calendar day after the same was deposited into the U.S. Mail. Either party may, by written notice to the other in the manner aforesaid, change the address or Fax number to which notices shall thereafter be delivered, transmitted via facsimile, or mailed.

10.09 Waiver. Waiver by one party of the performance of any covenant, condition, or promise shall not invalidate this Agreement, nor shall it be considered to be a waiver by such party of such matters in the future or of any other covenant, condition, or promise hereunder. Any waiver, to be effective, shall be express and in writing and shall be delivered to the other party.

10.10 Exhibits. All exhibits attached to this Agreement are incorporated by reference herein and specifically made a part of this Agreement.

10.11 Calendar Days/ Dates of Performance. Unless otherwise expressly stated, all time periods referred to herein shall be deemed to mean calendar days. In the event any date for

performance by either party of any obligation hereunder required to be performed by such party falls on a Saturday, Sunday or holiday recognized in the State of California, the time for performance of such matter shall be deemed extended until the next business day immediately following such date.

10.12 Construction. As used in this Agreement, the masculine, feminine, or neuter gender and the singular or plural numbers shall each be deemed to include the other whenever the context so indicates. This Agreement shall be construed as a whole, the captions being for the convenience of the parties only and not intended to describe or define the provisions in the portions of the Agreement to which they pertain. Each party hereto acknowledges and agrees that each has had independent counsel and review and participated in the drafting of this Agreement, and each hereby fully waives the application of any law, statute or rule of construction or interpretation to the effect that any ambiguities are to be resolved against the drafting party.

10.13 Severability. If any term of this Agreement, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

10.14 Administrator. The County office or employee with responsibility for administering this Agreement is the Director of the Department of Transportation.

10.15 Authorized Signatures. The parties to this Agreement hereby represent and warrant to one another that this Agreement has been properly authorized and approved by each party; that once executed, the same shall become the binding obligation of each party; and that the undersigned individuals executing this Agreement on behalf of each party is fully authorized to do so by applicable law and governance rules, and by such signature to bind such party to the terms of this Agreement.

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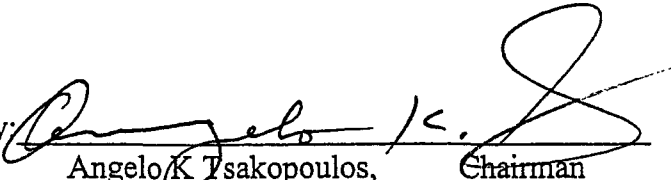
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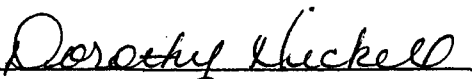
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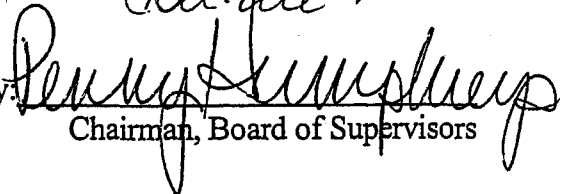
IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first written above.

AKT DEVELOPMENT CORPORATION,
a California Corporation,

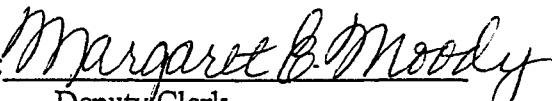
By: 
Angelo K. Tsakopoulos, Chairman


By: Dorothy Heckel
Corporate Secretary

COUNTY OF EL DORADO

Date: June 22, 2001
(Bd. dte 12-12-2000)
By: 
Chairman, Board of Supervisors

ATTEST:
DIXIE L. FOOTE
Clerk of the Board of Supervisors

By: 
Deputy Clerk
6-22-2001
(Bd. dte. 12-12-2000)

List of Exhibits

1. Exhibit "A" Legal Description of Property (999± acres)
2. Exhibit "B" Description of Green Valley Rd. Improvements (street widening)
2. Exhibit "C" Description of Sophia Pky. Improvements (GVR to E. Nat. St.)
2. Exhibit "D" Cost Breakdown for Green Valley Rd. Improvements
2. Exhibit "E" Description of reimbursable portion of Sophia Pky. Improvements

Legal Description of Property (999± acres)

PROMONTORY

All that certain real property situate in Sections 3, 4 and 10, Township 9 North, Range 8 East, and Sections 27, 28, 33 and 34, Township 10 North, Range 8 East, Mount Diablo Meridian, County of El Dorado, State of California, and described as follows:

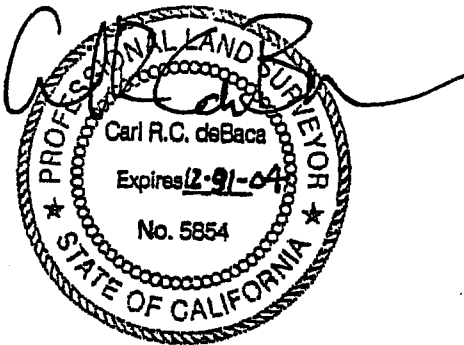
All of Tract 1 as said Tract is shown on Record of Survey filed for record in Book 16 of Surveys, Page 128 Official Records of said County and more particularly described as follows:

Beginning at the Northwest Corner of Section 27 as said Section is shown on said Record of Survey; thence from said Point of Beginning along the North line of the Northwest One-Quarter (1/4) of said Section North $88^{\circ}35'56''$ East a distance of 2666.10 feet to the North One-Quarter (1/4) Corner of said Section; thence southerly along the East line of the Northwest One-Quarter (1/4) of said Section South $00^{\circ}56'09''$ East a distance of 2662.92 feet to the Center One-Quarter (1/4) Corner of said Section; thence along the South line of the Northwest One-Quarter (1/4) of said Section South $88^{\circ}37'46''$ West a distance of 1323.91 feet; thence South $00^{\circ}52'48''$ East a distance of 1327.57 feet; thence North $88^{\circ}41'40''$ East a distance of 1325.20 feet to the East line of the Southwest One-Quarter (1/4) of said Section; thence southerly along said East line South $00^{\circ}56'09''$ East a distance of 1327.70 feet to the One-Quarter (1/4) Corner common to Sections 27 and 34 as said Corner is shown on said Record of Survey; thence continuing southerly along the East line of the Northwest One-Quarter (1/4) of said Section 34 South $01^{\circ}07'11''$ East a distance of 2648.17 feet to the Center One-Quarter (1/4) Corner of said Section 34; thence along the South line of the Northwest One-Quarter (1/4) of said Section 34 South $89^{\circ}10'17''$ West a distance of 2642.82 feet to the West One-Quarter (1/4) Corner; thence southerly along the West line of the Southwest One-Quarter (1/4) of said Section 34 South $01^{\circ}27'02''$ East a distance of 2627.94 feet to the Southwest Corner of said Section 34; thence easterly along the South line of the Southwest One-Quarter (1/4) of said Section 34 North $88^{\circ}58'12''$ East a distance of 1309.78 feet; thence leaving said South line along the East line of aforementioned Tract 1 the following sixteen (16) courses and distances:

1. South $01^{\circ}38'43''$ East, 2768.73 feet;
2. South $01^{\circ}11'48''$ East, 186.06 feet;
3. South $21^{\circ}24'13''$ East, 287.03 feet;
4. South $05^{\circ}27'53''$ East, 496.69 feet;
5. South $22^{\circ}32'18''$ East, 392.79 feet;
6. South $22^{\circ}15'18''$ East, 252.77 feet;
7. South $22^{\circ}41'26''$ East, 278.40 feet;
8. South $24^{\circ}26'28''$ East, 701.40 feet;
9. South $24^{\circ}42'28''$ East, 205.00 feet;
10. South $24^{\circ}06'28''$ East, 943.59 feet;
11. South $24^{\circ}47'28''$ East, 305.79 feet;
12. South $24^{\circ}32'24''$ East, 534.79 feet;
13. South $24^{\circ}46'24''$ East, 135.00 feet;
14. South $04^{\circ}48'18''$ East, 716.63 feet;
15. North $86^{\circ}01'16''$ West, 13.80 feet; and
16. North $88^{\circ}58'16''$ West, 182.92 feet to a point situate on the El Dorado-Sacramento County Line as said Line is shown on the aforementioned Record of Survey;

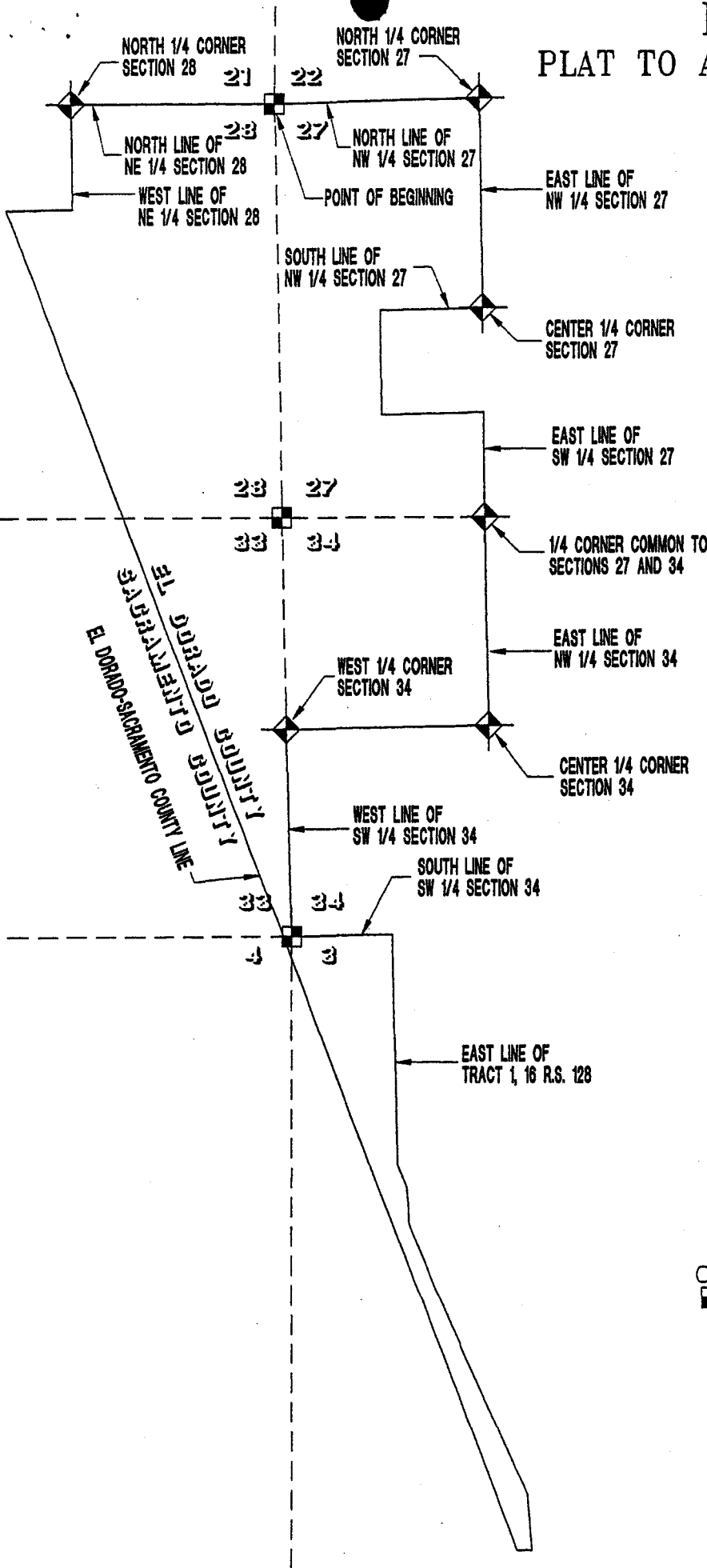
thence northerly along said County line, North 21°12'36" West a distance of 18284.70 feet more or less; thence North 89°00'03" East a distance of 860.49 feet to a point situate on the West line of the Northeast One-Quarter (1/4) of Section 28 as said Section is shown on aforementioned Record of Survey; thence northerly along said West line North 00°51'49" West a distance of 1340.74 feet to the North One-Quarter (1/4) Corner of said Section 28; thence easterly along the North line of the Northeast One-Quarter (1/4) of said Section 28 South 89°50'46" East a distance of 2616.87 feet to the Point of Beginning and containing 998.99 acres of land, more or less.

Carl R. C.de Baca P.L.S. 5854
Expires December 31, 2004

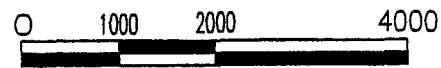


PREPARED BY WOOD RODGERS, INC.
SACRAMENTO, CALIFORNIA

EXHIBIT A-1 PLAT TO ACCOMPANY DESCRIPTION FOR PROMONTORY



SEE EXHIBIT A,
DESCRIPTION,
FOR COURSE
INFORMATION



SCALE: 1" = 2000'

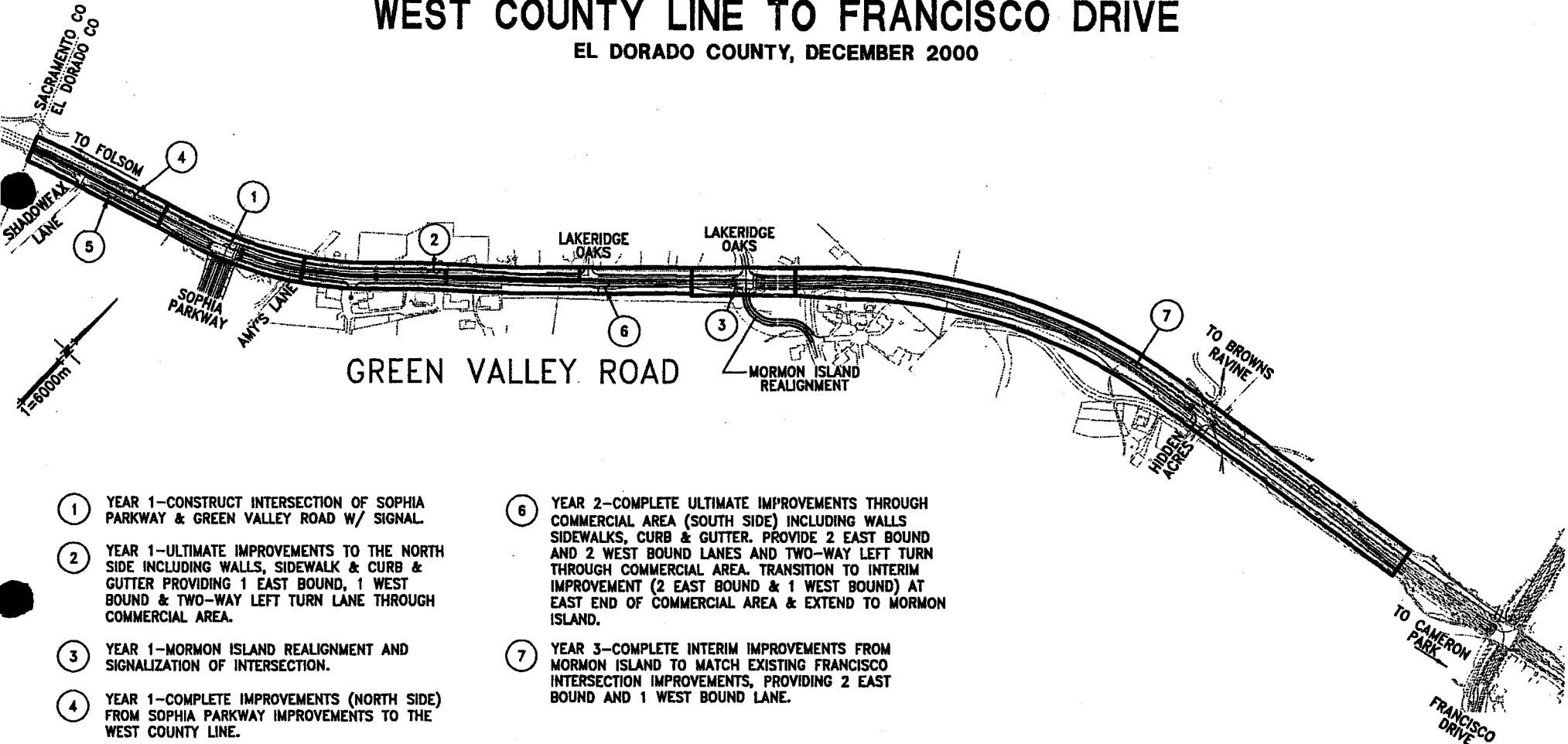
CIVIL ENGINEERING
PLANNING
SURVEYING/MAPPING

WOOD-RODGERS INC.

1210 G STREET SACRAMENTO, CA 95814

PHONE: (916) 341-7100 712-0265-22

**EXHIBIT B
DESCRIPTION OF IMPROVEMENTS
GREEN VALLEY ROAD INTERIM WIDENING PROJECT
WEST COUNTY LINE TO FRANCISCO DRIVE
EL DORADO COUNTY, DECEMBER 2000**



- ① YEAR 1—CONSTRUCT INTERSECTION OF SOPHIA PARKWAY & GREEN VALLEY ROAD W/ SIGNAL.
- ② YEAR 1—ULTIMATE IMPROVEMENTS TO THE NORTH SIDE INCLUDING WALLS, SIDEWALK & CURB & GUTTER PROVIDING 1 EAST BOUND, 1 WEST BOUND & TWO-WAY LEFT TURN LANE THROUGH COMMERCIAL AREA.
- ③ YEAR 1—MORMON ISLAND REALIGNMENT AND SIGNALIZATION OF INTERSECTION.
- ④ YEAR 1—COMPLETE IMPROVEMENTS (NORTH SIDE) FROM SOPHIA PARKWAY IMPROVEMENTS TO THE WEST COUNTY LINE.
- ⑤ YEAR 2—COMPLETE IMPROVEMENTS (SOUTH SIDE) FROM SOPHIA PARKWAY IMPROVEMENTS TO THE WEST COUNTY LINE.
- ⑥ YEAR 2—COMPLETE ULTIMATE IMPROVEMENTS THROUGH COMMERCIAL AREA (SOUTH SIDE) INCLUDING WALLS SIDEWALKS, CURB & GUTTER. PROVIDE 2 EAST BOUND AND 2 WEST BOUND LANES AND TWO-WAY LEFT TURN THROUGH COMMERCIAL AREA. TRANSITION TO INTERIM IMPROVEMENT (2 EAST BOUND & 1 WEST BOUND) AT EAST END OF COMMERCIAL AREA & EXTEND TO MORMON ISLAND.
- ⑦ YEAR 3—COMPLETE INTERIM IMPROVEMENTS FROM MORMON ISLAND TO MATCH EXISTING FRANCISCO INTERSECTION IMPROVEMENTS, PROVIDING 2 EAST BOUND AND 1 WEST BOUND LANE.

**CIVIL ENGINEERING
MAPPING
SURVEYING
PLANNING**

WOOD-RODGERS INC.
3301 C STREET BUILDING 100 B
SACRAMENTO, CA 95816
PHONE: (916) 341-7760

Exhibit "C"

Sophia Parkway Description of Facilities From its southernmost point in El Dorado County to Green Valley Road – 10,400 feet

Sophia Parkway enters into El Dorado County approximately 10,400 feet south of Green Valley Road. At full build out, the roadway section will typically consist of:

- A 16' wide landscaped and irrigated median
- Pavement and striping for two traffic lanes each direction (4 total) and a Class II bikeway on both sides
- Turn pockets at intersections
- Traffic signals at major intersections
- Curb and gutter
- Sidewalk on both sides (6' wide from southernmost point to south end of Village Center; 10' wide from south end of Village Center to Brittany Way connector; 8' wide from Brittany Way connector to Green Valley Road)
- 37' to 41' landscaping and landscape irrigation beyond the sidewalk
- Streetlights at the Green Valley Road commercial area and at intersections
- Water and sewer facilities to serve adjacent development
- Joint trench for dry utilities
- Drainage facilities

The actual improvements will be as shown on the County approved improvement plans.

Exhibit "D"

**Green Valley Road Widening Project
Estimate of Project Costs and Phasing**

Prepared By: P. Tobia
Date: 11/30/00

	Construction Draw ¹		Right of Way Cost ¹	Utility Relocation	Total ¹
	Base ²	Non-Base ³			
<u>Year 1 - 2001</u>					
County Line to Sophia Parkway	\$119,000		\$18,000	Rule 20A	\$137,000
Sophia Parkway Intx	\$1,160,000		\$94,000	Rule 20A/EID	\$1,254,000
N Side commercial	\$726,000	\$81,000	\$80,000	Rule 20A	\$887,000
Mormon Island full improvements	\$191,000	\$1,290,000	\$80,000	Rule 20A	\$1,561,000
Subtotal Year 1	\$2,196,000⁵	\$1,371,000⁴	\$272,000⁴		\$3,839,009
<u>Year 2 - 2002</u>					
County Line to Sophia Parkway	\$119,000		\$18,000	Rule 20A	\$137,000
Full buildout Sophia Pkwy Intx	\$0		\$0	Rule 20A	\$0
S Side at Commercial	\$726,000		\$560,000	Rule 20A/EID	\$1,286,000
Commercial to MI	\$368,000		\$0	Rule 20A/EID	\$368,000
Subtotal Year 2	\$1,213,000⁵	\$0⁴	\$578,000⁴		\$1,791,000
<u>Year 3 - 2003</u>					
MI to Brown's Ravine	\$766,000		\$0	EID	\$766,000
Brown's Ravine Intersection	\$129,000	\$353,000	\$0		\$482,000
Brown's Ravine to Francisco	\$118,000	\$30,000	\$0		\$148,000
Subtotal Year 3	\$1,013,000⁵	\$383,000⁴	\$0⁴		\$1,396,000
Total	\$4,422,000	\$1,754,000	\$850,000		\$7,026,009
Total Const Draw	\$6,176,000		\$850,000		\$7,026,009

Notes

1. All figures current dollars. Construction Draw figures include 15% for contingencies, 15% for Administration and Engineering, and 12% for Construction Management.
2. Base Project: Second EB Lane County Line to Francisco; Left turn pockets at intersections; two-way-left-turn at Commercial; Full Intx w/ Signal At Sophia Pkwy. Defined by minimum improvements required by Promontory Condition #1
3. Non-Base improvements include a second WB lane through the commercial area; realignment and signalization of Mormon Island Drive/Lakeridge Oaks intersection; Signal at Brown's Ravine intersection; second WB lane Brown's Ravine to Francisco.
4. County funds directly w/ RIF Funding
5. Estimate of advance funding amounts required by reimbursement agreement. Actual amounts to be based on bid prices. Refer to agreement text.
6. Assumes ROW acquired in timely matter.

Exhibit “E”

Sophia Parkway Description of County Reimbursable Facilities From its southernmost point in El Dorado County to Green Valley Road– 10,400 feet (8,400 feet excluding those portions that lie within the City of Folsom)

Sophia Parkway enters into El Dorado County approximately 10,400 feet south of Green Valley Road, approximately 2000 feet of this alignment lies within the City of Folsom. At full build out, portions of the following elements located within El Dorado County will be eligible for reimbursement from the County:

- Grading of roadway prism
- Pavement and striping for two traffic lanes each direction (4 total) and a Class II bikeway on both sides
- Turn pockets at intersections
- Traffic signals at major intersections
- Curb and gutter
- Sidewalk on both sides (up to 6' wide unless additional width required by County Standards)
- Drainage facilities
- Soft costs associated with design and construction of the above facilities, including engineering and staking, inspection, and construction management

The actual improvements will be as shown on the County approved improvement plans.