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June 17, 2014

To the Board of Supervisors,
County of El Dorado
360 Fair Lane
Placerville, CA 95667

Re: Community Facilities District No. 2001-1 (Promontory Specific Plan)

Members of the Board of Supervisors:

The undersigned is an authorized representative of RUSSELL-PROMONTORY, LLC, an Illinois limited liability company, the owner of land commonly known as the following El Dorado County Assessor's Parcel Nos. (collectively, the "Subject Property") within the County's Community Facilities District No. 2001-1 (Promontory Specific Plan) (the "CFD"):

<u>Owner</u>	<u>APN</u>	<u>Acres</u>
Russell-Promontory, LLC	124-390-01-100	4.60
Russell-Promontory, LLC	124-390-02-100	11.93
Russell-Promontory, LLC	124-390-04-100	9.64
Russell-Promontory, LLC	124-390-05-100	0.77
Russell-Promontory LLC	124-390-06-100	126.65
Russell-Promontory LLC	124-390-07-100	0.95
Russell-Promontory LLC	124-390-08-100	45.71
Russell-Promontory LLC	124-400-01-100	63.24
Russell-Promontory LLC	124-400-02-100	31.2

The above parcels are subject to a special tax of the CFD as set forth in the Rate and Method of Apportionment of Special Tax (the "RMA") adopted for the CFD.

The development plan for the above parcels has changed since the 2001 projection on which the RMA was based, and we have concluded that the existing special tax rates for the parcels are no longer consistent with the planned development of such parcels. The RMA does not provide a methodology for conforming the special tax rate to changes in land use resulting from revised development plans. We therefore request a determination by the County that the special tax rate to be applicable to our property be reapportioned in light of the current development proposal. In connection with this request, we have consulted with NBS and attach hereto as Attachment 1 an amendment to the RMA which we would like to request that the Board implement with respect to our property.



By this letter we request that you take all steps necessary to complete changes so that the parcels would be taxed at the rates set forth in the attached amendment to the RMA. Hopefully you can proceed as quickly as possible with necessary proceedings to institute the changes. To that end, we hereby consent to the changes. If an election is required to make the changes, we waive all applicable times for and notices of the conduct of such election under the Mello-Roos Act, including all ballot arguments and analysis, and we further waive the election requirement entirely and request that this letter be construed as a "yes" vote as if a ballot measure had been submitted to us as qualified electors entitled to vote in an election to authorize the changes attached.

Please let me know if you have any questions or if you require any additional information.

RUSSELL-PROMONTORY, LLC,
an Illinois limited liability Company

By: AKT Development Corporation,
a California corporation
Its: Managing Member

By: 

Name: Mark Enes

Its: Executive Vice President

ATTACHMENT 1

Community Facilities District No. 2001-1
(Promontory Specific Plan)
El Dorado County, California

FIRST AMENDMENT TO THE
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

This First Amendment to Rate and Method of Apportionment amends the Rate and Method of Apportionment of Special Tax for the El Dorado County Community Facilities District No. 2001-1 (Promontory Specific Plan) set forth as Exhibit A to the Amended Notice of Special Tax Lien recorded in the office of the County Recorder of the County of El Dorado on August 17, 2005 as Document No. 2005-0068319 (the "Original RMA").

Amendments made to the Original RMA contained herein only affect certain parcels in CFD No. 2001-1. Parcels affected by this First Amendment are within **Villages 7 & 8 comprising a portion of the "Single Family Residential" land use and parcels D-1 and H** comprising a portion of the "High Density Residential" land use identified in Attachment 1 to the Original RMA. Such parcels are referenced in the **Revised Map 1 attached hereto** and are further identified by the Assessor Parcel Numbers listed in **Schedule A** hereto.

1. Amended Definitions

The following defined terms in the Original RMA are revised and restated as follows:

"Developed Parcel" means a Parcel receiving one of the following development approvals from the County where right-of-way for streets and other public facilities are dedicated:

<u>Land Use</u>	<u>Development Approval</u>
Single Family Residential	- Final Subdivision Map
Multi-Family Residential	- Building Permit
Condominium	- Building Permit
Commercial	- Building Permit

Any Developed Parcel with a designated land use other than those indicated above will be classified as Commercial for the purpose of the Special Tax Formula. A Developed Parcel also includes all Large Lot Parcels and Original Parcels for which a Redesignation Request was submitted to the County before July 1 of the Fiscal Year and approved by the Administrator.

For the purposes of this Special Tax Formula, Villages 1, 2, 3, 6-2, and 6-3 are to be considered Developed Parcels at the formation of the CFD. For the purposes of this Special Tax Formula, Village 7-1, Village 8, Lot D-1 and Lot H are to be considered Developed Parcels as of June 2014.

"Maximum Annual Special Tax" means the greatest amount of Special Tax that can be levied against a Taxable Parcel in any Fiscal Year as shown in the **Revised Attachment 1**, as adjusted annually after the Base Year in accordance with the Tax Escalation Factor. For Taxable Parcels that have been designated Developed Parcels by the County due to a Redesignation Request, the Maximum Annual Special Tax shall be determined by the County in accordance with Attachment 1, based upon the planned number of residential units, rather than by their acreage as either Large Lot Parcels or Original Parcels. All parcel changes that result in a change to acreage on redesignated parcels prior to a Final Subdivision Map shall have the planned number of lots or units spread pro-rata based on acreage, unless the County determines that another method of allocation is more appropriate.

2. Revision to Attachment 1

Attachment 1 to the Original RMA is amended as follows:

Delete: Village 7.

Add:

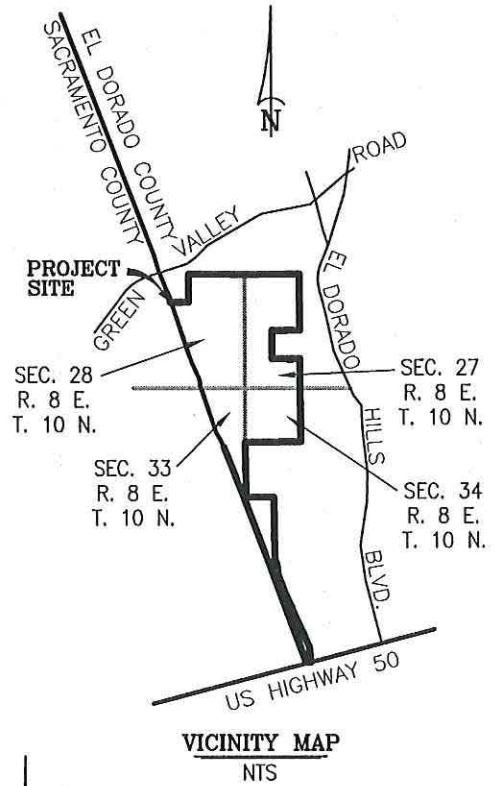
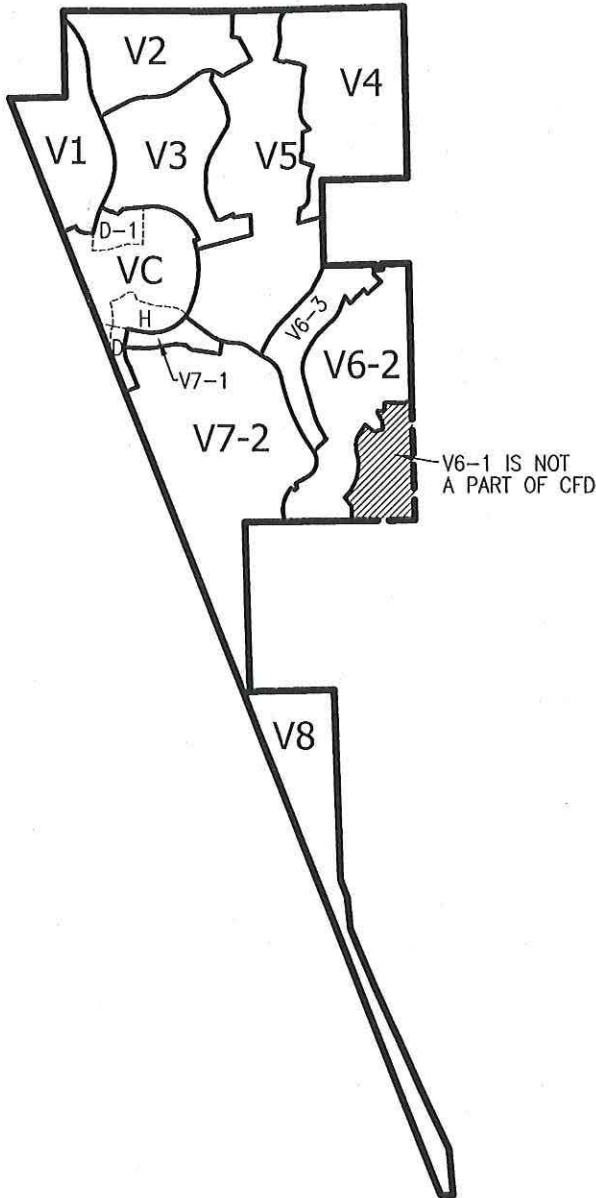
Specific Plan Parcels Identified by Village	Planned Residential Lots	Base Year Maximum Annual Special Tax
Single Family Residential Uses		<i>per unit</i>
Village 7-1	24	\$1,400
Village 7-2	104	\$1,800
High-Density Residential		<i>per unit</i>
Lot D-1	63	\$820
Lot H	64	\$820

3. Revision to Map 1

Map 1 to the Original RMA is amended, as attached hereto.

[Attach Map 1]

COMMUNITY FACILITIES DISTRICT NO 2001-1
(PROMONTORY SPECIFIC PLAN)
DISTRICT BOUNDARY MAP
 MAY, 2014



Map 1
 CFD Boundary Map

cta  **Engineering & Surveying**

Civil Engineering ■ Land Surveying ■ Land Planning

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