

**Promontory South
RESOLUTION _____**

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO
CALLING SPECIAL ELECTION FOR COMMUNITY FACILITIES DISTRICT NO. 2025-1
(PROMONTORY SOUTH)**

WHEREAS, on August 26, 2025, this Board adopted a resolution entitled “A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO OF FORMATION OF COMMUNITY FACILITIES DISTRICT NO. 2025-1 (PROMONTORY SOUTH)” (the “Resolution of Formation”) to form Community Facilities District No. 2025-1 (Promontory South) (the “CFD”) of the County pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the “Act”);

WHEREAS, this Board of Supervisors of the County of El Dorado has also adopted a resolution entitled “A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO DETERMINING NECESSITY TO INCUR BONDED INDEBTEDNESS IN AND FOR COMMUNITY FACILITIES DISTRICT NO. 2025-1 (PROMONTORY SOUTH)” (the “Resolution Determining Necessity”), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of \$14,000,000 upon the security of the special tax to be levied within the CFD pursuant to the Act;

WHEREAS, pursuant to the provisions of the Resolution of Formation and the Resolution Determining Necessity, the propositions of the levy of the special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness shall be submitted to the qualified electors of the CFD as required by the provisions of the Act;

NOW, THEREFORE, BE IT RESOLVED as follows:

1. **Issues Submitted.** Pursuant to Sections 53326, 53351 and 53325.7 of the Act, the issues of the levy of the special tax, the incurring of bonded indebtedness and the establishment of the appropriations limit shall be submitted to the qualified electors (as defined below) of the CFD at an election called therefor as provided below.

2. **Qualified Electors.** This Board hereby finds that fewer than 12 persons have been registered to vote within the territory of the CFD for each of the 90 days preceding the close of the public hearings heretofore conducted and concluded by this Board for the purposes of these proceedings. Accordingly, and pursuant to Section 53326 of the Act, this Board finds that, for these proceedings, the qualified electors are the landowners within the CFD and that the vote shall be by such landowners or their authorized representatives, each having one vote for each acre or portion thereof such landowner owns in the CFD as of the close of the public hearings.

3. **Conduct of Election.** This Board hereby calls a special election to consider the measures described in section 1 above, which election shall be held on August 26, 2025 and the results thereof canvassed at the meeting of this Board on such date. The Clerk of the Board is hereby designated as the official to conduct the election and to receive all ballots until 10:00 a.m. on the election date. It is hereby acknowledged that the Clerk of the Board has on file the

Resolution of Formation, a certified map of the boundaries of the CFD, and a sufficient description to allow the Clerk of the Board to determine the electors of the CFD. Pursuant to Section 53327 of the Act, the election shall be conducted by messenger or mail-delivered (including email) ballot pursuant to Section 4000 of the California Elections Code. This Board hereby finds that paragraphs (a), (b), (c) (1) and (c)(2) of Section 4000 are applicable to this special election, and Section 4108 of the California Elections Code are applicable to this special election, except that Sections 53326 and 53327 of the Act shall govern for purposes of determining the date of the election.

4. **Ballot.** As authorized by Section 53353.5 of the Act, the three propositions described in section 1 above shall be combined into a single ballot measure, the form of which is attached hereto as Exhibit "A" and by this reference incorporated herein and the form of ballot is hereby approved. The Clerk of the Board is hereby authorized and directed to cause a ballot, in substantially the form of Exhibit "A," to be delivered to each of the qualified electors of the CFD. Each ballot shall indicate the number of votes to be voted by the respective landowner to which the ballot pertains.

5. **Waivers.** This Board further finds that the provisions of Section 53326 of the Act requiring a minimum of 90 days following the adoption of the Resolution of Formation to elapse before the special election and other election requirements are for the protection of the qualified electors of the CFD and further finds that the landowners within the CFD file with the Clerk of the Board a written waiver executed by all of the qualified electors of the CFD allowing for a shortening of the time for the special election to expedite the process of formation of the CFD and waiving all other matters required by the California Elections Code pertaining to the election, including any requirement for notice, analysis and arguments in connection with the election, ballot wording limits and other election formalities. Accordingly, this Board finds and determines that the qualified electors have been fully apprised of and have agreed to the shortened time for the election and waiver of analysis and arguments, ballot content and other matters, and have thereby been fully protected in these proceedings. This Board also finds and determines that the Clerk of the Board has concurred in the shortened time for the election. Analysis and arguments with respect to the ballot measures are hereby waived, as provided in Section 53327 of the Act

6. **Accountability.** The Board hereby finds that the proposed debt issuance constitutes a "local bond measure" within the meaning of Sections 53410, et seq. of the California Government Code. As a result, the bond measure shall include the propositions set forth above and the following: (a) the specific purpose of the bonds shall be as set forth in the propositions; (b) any proceeds received from the sale of any bonds shall be applied only to the purposes set forth in the propositions; (c) the proceeds of any bonds shall be deposited into special accounts to be created therefor as part of the issuance of the bonds; and (d) the Authority shall cause a report to be prepared annually under Section 53411 of the Government Code.

7. **Effective Date.** This Resolution shall take effect upon its adoption.

* * * * *

PASSED AND ADOPTED by the Board of Supervisors of the County of El Dorado, State of California, at a regular meeting of said Board held on the ____ day of _____, 2025, by the following vote of said Board:

AYES: ___ Board Members:_____

NOES: ___ Board Members:_____

ABSENT: ___ Board Members:_____

ABSTAINING:___ Board Members:_____

Chair of the Board of Supervisors

Attest:
Kim Dawson
Clerk of the Board of Supervisors

By: _____
Deputy Clerk

I CERTIFY THAT:

THE FOREGOING INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL ON FILE IN
THIS OFFICE.

DATE: _____

ATTEST: Kim Dawson, Clerk of the Board of Supervisors of the County of El Dorado, State of
California

By: _____
Deputy Clerk

EXHIBIT A

COUNTY OF EL DORADO
Community Facilities District No. 2025-1
(Promontory South)

OFFICIAL CONSOLIDATED BALLOT TITLE, SUMMARY
AND BALLOT LABEL OR QUESTION - SPECIAL TAX ELECTION

This ballot is for a special, landowner election for the County of El Dorado, Community Facilities District No. 2025-1 (Promontory South). You must return this ballot in the enclosed postage paid envelope to the office of the Clerk of the Board of the County of no later than the hour of 10:00 a.m. on Tuesday, August 26, 2025, either by mail or in person. The Clerk of the Board's office is located at 333 Fair Lane, Placerville, California 95667.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO." All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the Clerk of the Board and obtain another.

Shall the measure pursuant to which (i) County of El Dorado shall incur indebtedness and issue bonds up to \$14,000,000 on behalf of the County of El Dorado Community Facilities District No. 2025-1 (Promontory South) ("CFD"), to acquire and/or construct facilities set forth in the list of authorized facilities for the CFD attached hereto and pay for the costs of issuing the bonds and related expenses; (ii) a special tax shall be levied at rate of \$5,000/residential unit (with other property taxed at other rates), subject to annual escalation, through Fiscal Year 2069-70, raising \$865,000 in Fiscal Year 2025-26 (assuming full build-out of the CFD), to pay for the principal and interest upon such bonds, to pay the costs of the County in administering the CFD, and to pay for the costs of acquiring and/or constructing said facilities in accordance with the rate and method of apportionment of special taxes for the CFD attached hereto; and (iii) the annual appropriations limit of the CFD shall initially be \$14,000,000, subject to escalation, **be adopted?**

YES

NO

The undersigned is the authorized representative of the below-named landowner and is the person legally authorized and entitled to cast this ballot on behalf of the below-named landowner. By execution in the space provided below, the undersigned Landowner certifies that such owner has initiated, requested and/or reviewed all the CFD provisions and proceedings leading up to this election, including the list of authorized facilities, the bond indebtedness limit for the CFD, and the Rate and Method of Apportionment, which includes the tax rates and duration of the special tax to be placed on the Landowner's property.

Date: August 26, 2025

Total Acreage: 181.4
Number of Votes: 182

PROMONTORY CONSTRUCTION COMPANY,
LLC, a California limited liability company

By AKT Development Corporation, its Manager

By: _____

Its: _____

ATTACHMENT 1 TO BALLOT

RATE AND METHOD OF APPORTIONMENT

COMMUNITY FACILITIES DISTRICT NO. 2025-1 (PROMONTORY SOUTH)

A Special Tax, as hereinafter defined, shall be levied and collected within the El Dorado County Community Facilities District No. 2025-1 (Promontory South) each Fiscal Year commencing in Fiscal Year 2025/26, in an amount determined by the application of the procedures below. All Taxable Property within CFD No. 2025-1, as hereinafter defined, unless exempted by law or by the provisions hereof, shall be taxed for the purposes to the extent and in the manner herein provided including property subsequently annexed to CFD No. 2025-1 unless a separate Rate and Method of Apportionment is adopted for the annexed area.

A. DEFINITIONS

The terms hereinafter set forth have the following meaning:

“Accessory Dwelling Unit” or **“ADU”** means all Assessor’s Parcels of Residential Property for which a building permit(s) has been issued for an “Accessory Dwelling Unit” as defined in California Government Code Section 66313, as may be amended from time to time, that is accessory to a primary Unit.

“Acre” or **“Acreage”** means the land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map. In the event that the Assessor’s Parcel Map shows no acreage, the Acreage for any Assessor’s Parcel may be determined by the CFD Administrator based upon, in the CFD Administrator’s discretion, the applicable condominium plan, final map, parcel map, Assessor’s Data or by using available spatial data and GIS.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1, Division 2 of Title 5 of the Government Code of the State.

“Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of CFD No. 2025-1 including, but not limited to, the following: the costs of any paying agents/fiscal agents/trustees related to CFD No. 2025-1 Bond payments (including the fees and expenses of related counsel); the costs of computing the Annual Special Tax Requirement, the Special Taxes and of preparing the collection schedules for the Special Taxes; the costs of collecting the Special Taxes, including any charges levied by the County Auditor’s Office, County Tax Collector’s Office or County Treasurer’s Office; the costs of the County or designee in complying with the disclosure requirements associated with applicable federal and state securities laws, or otherwise related to CFD No. 2025-1 or CFD No. 2025-1 Bonds; the County’s annual administration fees and third party expenses; costs of responding to public inquiries regarding the Special Taxes; the costs of the County or designee related to an appeal of the Special Tax or interpretation of this Rate and Method of Apportionment of Special Taxes; amounts needed to pay any required arbitrage rebate to the federal government related

to CFD No. 2025-1 Bonds; the costs associated with the release of funds from any escrow account; and the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Taxes in CFD No. 2025-1. Administrative Expenses shall also include amounts estimated or advanced by the County or CFD No. 2025-1 for any other administrative purposes of CFD No. 2025-1.

“Annual Special Tax Requirement” means that amount required in any Fiscal Year for CFD No. 2025-1 to (1) pay Debt Service on all Outstanding CFD No. 2025-1 Bonds due in the Debt Year that commences in such Fiscal Year; (2) pay debt service on bonds expected to be issued for CFD No. 2025-1 due in the Debt Year that commences in such Fiscal Year; (3) Administrative Expenses; (4) provide any amount required to establish or replenish a reserve fund in connection with any CFD No. 2025-1 Bonds; (5) provide an amount equal to reasonably anticipated Special Tax delinquencies based on the delinquency rate for Special Taxes levied in the previous Fiscal Year as determined by the CFD Administrator, as limited by the Act, and without duplicating any amounts described in clauses (3) or (4); and (6) account for Pay-As-You-Go Expenditures for the Authorized Facilities. The amounts referred to in clauses (1) through (5) of the preceding sentence may be reduced in any Fiscal Year by (i) surplus balances in funds and accounts for CFD No. 2025-1 Bonds to the extent that such balances are available to apply against Debt Service pursuant to the Indenture, (ii) proceeds from the collection of penalties associated with delinquent Special Tax, and (iii) any other revenues available to pay Debt Service on the Outstanding CFD No. 2025-1 Bonds or other indebtedness as determined by the CFD Administrator.

“Assessor’s Data” means the property characteristic data compiled and maintained by the County Assessor for each Assessor’s Parcel, including, but not limited to, Assessor’s Parcel Number, Acreage, Building Square Footage, and Units.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel shown in an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating parcels by Assessor’s Parcel Number.

“Assessor’s Parcel Number” or **“APN”** means, with respect to an Assessor’s Parcel, that number assigned to such Assessor’s Parcel by the County for purposes of identification.

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by CFD No. 2025-1 Bonds or Special Tax revenue dedicated to Pay-As-You-Go Expenditures.

“Base Year” means the Fiscal Year beginning on July 1, 2025, and ending on June 30, 2026.

“Board of Supervisors” means the Board of Supervisors of the County, acting as the legislative body of CFD No. 2025-1.

“Building Permit” means a permit issued by the County for new construction of a residential building on an Assessor’s Parcel.

“CFD Administrator” means an official of the County, or designee thereof, responsible for determining the Annual Special Tax Requirement, and otherwise providing for the levy and collection of the Special Taxes.

“CFD No. 2025-1” means El Dorado County Community Facilities District No. 2025-1 (Promontory South), established by the Board of Supervisors pursuant to the Act.

“CFD No. 2025-1 Bonds” means bonds or other Debt (as defined in section 53317 of the Act), whether in one or more series, issued or assumed by or on behalf of the County for CFD No. 2025-1 under the Act, and secured by a pledge of the Special Taxes.

“County” means the County of El Dorado, California.

“Debt Service” means for each Debt Year, the total amount of principal and interest due on any Outstanding CFD No. 2025-1 Bonds.

“Debt Year” means the twelve (12) month period ending on the second debt service payment date of each calendar year.

“Developed Property” means, in any Fiscal Year, all Taxable Property in CFD No. 2025-1 for which a Building Permit for new construction was issued by the County on or before April 30 of the preceding Fiscal Year.

“Exempt Property” means all property located within the boundaries of CFD No. 2025-1 which is exempt from the Special Tax pursuant to the Act or Section E below.

“Final Map Property” means, in any Fiscal Year, all Residential Lots created within a Final Subdivision Map which has recorded prior to April 30 of the preceding Fiscal Year.

“Final Subdivision Map” means a final subdivision map, parcel map or lot line adjustment, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or recordation of a condominium plan pursuant to California Civil Code 4285, that creates individual lots for which Building Permits may be issued without further subdivision of such property.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“GIS” or “Geographic Information System” means a system designed to capture, store, manipulate, analyze, manage, and present spatial or geographic data.

“Indenture” means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which CFD No. 2025-1 Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Maximum Special Tax” means the Maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Outstanding CFD No. 2025-1 Bonds” means all CFD No. 2025-1 Bonds which are outstanding under and in accordance with the provisions of the Indenture.

“Pay-As-You-Go Expenditure” means Special Tax revenue, which is used or set aside for Authorized Facilities, including for Authorized Facilities to be constructed or acquired by CFD No. 2025-1. Pay-As-You-Go Expenditures may be included in the Special Tax Requirement for 15 years, beginning in Fiscal Year 2025/26 and ending after Fiscal Year 2039/40.

“Property Owner’s Association” or “POA” means any duly constituted property owner’s association. As used in this definition, a Property Owner’s Association includes any home-owner’s association, condominium owner’s association, master or sub-association or non-residential owner’s association.

“Property Owner’s Association Property” means any property within the boundaries of CFD No. 2025-1 which is (a) owned by a Property Owner’s Association or (b) designated with specific boundaries and acreage on a final subdivision map as Property Owner’s Association Property.

“Proportionately” means, for Developed Property, Final Map Property, and Undeveloped Property, that the ratio of the actual Special Tax to the Maximum Special Tax is equal for each Assessor’s Parcels of Developed Property, Final Map Property, and Undeveloped Property, respectively. The term “Proportionately” may similarly be applied to other categories of Taxable Property, as listed in Section C below.

“Public Property” means any property within the boundaries of CFD No. 2025-1 which (i) is owned by a public agency, (ii) has been irrevocably offered for dedication to a public agency, or (iii) is designated with specific boundaries and Acreage on a final subdivision map as property which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State, the County, the County, school districts, or any other governmental agency.

“Rate and Method of Apportionment” means this Rate and Method of Apportionment of Special Taxes for CFD No. 2025-1.

“Residential Lot” means, an individual residential lot within a recorded Final Subdivision Map on which a Building Permit has been or is permitted to be issued for construction of one or more Units.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing one or more residential Units.

“Special Tax(es)” means the special tax or special taxes to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 2025-1 to fund the Annual Special Tax Requirement.

“State” means the State of California.

“Taxable Property” means all the Assessor’s Parcels within the boundaries of CFD No. 2025-1 that are not exempt from the Special Tax pursuant to law or Section E below.

“Taxable Property Owner’s Association Property” means all Assessors Parcels of Property Owner’s Association Property that are not exempt pursuant to Section E herein.

“Taxable Public Property” means all Assessors Parcels of Public Property that are not exempt pursuant to Section E herein.

“Tax Escalation Factor” means a factor of two percent (2%) that will be applied annually on July 1 after the Base Year to increase the Maximum Special Tax rates shown in Section C.

“Trustee” means the trustee or fiscal agent or paying agent acting as such under the applicable Indenture.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Map Property, Taxable Property Owner’s Association Property, or Taxable Public Property.

“Unit” means an individual single family detached residential unit or an individual residential unit within a duplex, triplex, fourplex, townhome or condominium structure. The number of Units assigned to each Assessor’s Parcel may be determined by (i) referencing Assessor’s Data, (ii) site surveys and physical unit counts, and/or (iii) other research by the CFD Administrator. An Accessory Dwelling Unit shall not be considered a Unit for the purposes of the Special Tax.

“Welfare Exempt Property” means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 2025-1 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor’s Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of CFD No. 2025-1 Bonds, as applicable, any Assessor’s Parcels that receive a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Special Tax.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Assessor’s Parcels within CFD No. 2025-1 shall be classified as follows:

1. Each Assessor’s Parcel shall be determined to be Taxable Property or Exempt Property.
2. Each Assessor’s Parcel of Taxable Property shall be further classified as Developed Property, Final Map Property, Undeveloped Property, Taxable Property Owner’s Association Property, or Taxable Public Property. Taxable Property shall be subject to Special Taxes in accordance with Sections C and D below.

C. MAXIMUM SPECIAL TAX RATES

1. Developed Property

The Base Year Maximum Special Tax rate for each Assessor's Parcel of Developed Property is shown in Table 1.

TABLE 1
MAXIMUM SPECIAL TAX FOR DEVELOPED PROPERTY

Description	Assigned Special Tax	Per
Residential Property	\$5,000.00	Residential Lot

The Maximum Special Tax for Developed Property shall increase, commencing on July 1, 2026, and on July 1 of each Fiscal Year thereafter, by an amount equal to the Tax Escalation Factor.

2. Final Map Property

The Base Year Maximum Special Tax for each Assessor's Parcel of Final Map Property shall be \$2,500.00 per Residential Lot.

The Maximum Special Tax for Final Map Property shall increase, commencing on July 1, 2026, and on July 1 of each Fiscal Year thereafter, by an amount equal to the Tax Escalation Factor.

3. Undeveloped Property, Taxable Property Owner's Association Property, and Taxable Public Property

The Base Year Maximum Special Tax for Undeveloped Property, Taxable Property Owner's Association Property, and Taxable Public Property shall be \$4,482.00 per Acre.

The Maximum Special Tax for Undeveloped Property, Taxable Property Owner's Association Property, and Taxable Public Property shall increase, commencing on July 1, 2026, and on July 1 of each Fiscal Year thereafter, by an amount equal to the Tax Escalation Factor.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAXES

Commencing with Fiscal Year 2025/26 and for each following Fiscal Year, the County or its designee shall determine the Annual Special Tax Requirement and shall levy the Special Tax until the total Special Tax levy equals the Annual Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at a rate up to 100% of the applicable Maximum Special Tax for Developed Property.

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, and after applying any capitalized interest, the Special Tax

shall be levied Proportionately on each Assessor's Parcel of Final Map Property at a rate up to 100% of the Maximum Special Tax for Final Map Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first and second steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at a rate up to 100% of the Maximum Special Tax for Undeveloped Property;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first, second, and third steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner's Association Property at a rate up to 100% of the Maximum Special Tax for Taxable Property Owner's Association Property;

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first, second, third, and fourth steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property at a rate up to 100% of the Maximum Special Tax for Taxable Public Property;

Under no circumstances will the Special Tax levied against any Assessor's Parcel of Residential Property be increased by more than 10% as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2025-1.

E. EXEMPTIONS

1. No Special Tax shall be levied on up to 41.14 Acres of Property Owner's Association Property and/or Public Property. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Property Owner's Association Property, or Public Property.
2. Property Owner's Association Property, that is not exempt from the Special Tax under this section, or pursuant to the Act, shall be classified as Taxable Property Owner's Association Property. Taxable Property Owner's Association Property shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fourth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Taxable Property Owner's Association Property.
3. Public Property, that is not exempt from the Special Tax under this section, or pursuant to the Act, shall be classified as Taxable Public Property. Taxable Public Property shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fifth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Taxable Public Property.
4. No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of CFD No. 2025-1 Bonds, as applicable, any Assessor's Parcels that receive a welfare exemption under subdivision (g) of

Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Special Tax.

F. APPEAL OF SPECIAL TAX LEVY

Any property owner may file a written appeal of the Special Tax with the CFD Administrator claiming that the amount or application of the Special Tax is not correct with respect to one or more specific Assessor's Parcels. The appeal must be filed not later than one calendar year after having paid the Special Tax that is disputed, and the appellant must be current in all payments of the Special Taxes theretofore levied on the Assessor's Parcel(s). In addition, during the term of the appeal process, all Special Taxes levied must be paid for the subject Assessor's Parcel(s) prior to delinquency.

The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the Board of Supervisors whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the County requires the Special Tax to be modified or changed in favor of the property owner, then an adjustment shall be made to credit future Special Taxes.

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

G. INTERPRETATION OF RATE AND METHOD OF APPORTIONMENT

The County may, by resolution or ordinance, interpret, clarify and/or revise this Rate and Method of Apportionment to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Taxes, method of apportionment, classification of Assessor's Parcels, or any definition used herein, as long as once CFD No. 2025-1 Bonds have been issued such correction does not materially adversely affect the levy and collection of Special Taxes on any Assessor's Parcel needed to repay the CFD No. 2025-1 Bonds. In addition, the interpretation and application of any section of this document shall be at the CFD Administrator's discretion.

H. MANNER OF COLLECTION

The Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, that the CFD Administrator may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if needed to meet the financial obligations of CFD No. 2025-1. The County may covenant to foreclose and may actually foreclose or cause an action for foreclosure to be prosecuted in respect of Assessor's Parcels of Taxable Property that are delinquent in the payment of the Special Tax.

I. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section I:

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by CFD No. 2025-1.

“Buildout” means the state of maximum development of CFD No. 2025-1, based on plans and anticipated development.

“CFD Public Facilities Cost” means \$8.10 million for CFD No. 2025-1, expressed in 2025 dollars, which shall increase by the annual percentage change in the Construction Inflation Index on July 1, 2026, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities to be provided by CFD No. 2025-1 under the authorized bonding program for CFD No. 2025-1, or (ii) shall be determined by the Board of Supervisors concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

“Construction Inflation Index” means the annual percentage change in the Engineering News-Record Building Cost Index for the County of San Francisco, measured as of the calendar year which ends in the previous Fiscal Year, but not less than zero percent. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the County that is reasonably comparable to the Engineering News-Record Building Cost Index for the County of San Francisco.

“Future Facilities Costs” means, as of the date of prepayment, the CFD Public Facilities Costs minus the portion of the CFD Public Facilities Costs previously funded from (a) proceeds of all Previously Issued CFD No. 2025-1 Bonds, which were, at the time of issuance, available to the County for Authorized Facilities, (b) interest earnings on the Improvement Fund actually earned prior to the date of prepayment, and (c) proceeds of the Special Tax dedicated to Pay-As-You-Go Expenditures. In no case, shall the Future Facilities Costs be less than zero.

“Previously Issued CFD No. 2025-1 Bonds” means all Outstanding CFD No. 2025-1 Bonds that have been issued for CFD No. 2025-1 prior to the date of prepayment.

1. Prepayment in Full

The Special Tax obligation of an Assessor's Parcel of Developed Property, Taxable Public Property, Final Map Property, or Undeveloped Property for which a Building Permit has been issued, may be prepaid and permanently satisfied as described herein; provided that there are no delinquent installments of the Special Tax with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 45 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount for such Assessor's

Parcel. Prepayment must be made not less than 75 days prior to the next occurring date that notice of redemption of Outstanding CFD No. 2025-1 Bonds is required to be given pursuant to the Indenture, if any. Proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. If a prepayment is made prior to the issuance of the first series of CFD No. 2025-1 Bonds, the Redemption Premium, Interest Amount, Reserve Fund Credit and Capitalized Interest Credit as calculated below, shall be zero. The CFD Administrator may charge the property owner requesting a prepayment calculation a fee for providing this service.

The Special Tax Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Bond Redemption Amount	
Plus	Future Facilities Amount
plus	Redemption Premium
plus	Interest Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
<u>less</u>	<u>Capitalized Interest Credit</u>
Total: equals	Special Tax Prepayment Amount

As of the proposed date of prepayment, the Special Tax Prepayment Amount (defined below) shall be calculated by the CFD Administrator as follows:

Step Number:

1. Confirm that no Special Tax delinquency applies to such Assessor’s Parcel, and if delinquencies are applicable compute all amounts due, including interest and penalties.
2. For Assessor’s Parcels of Developed Property and Taxable Public Property, compute the Maximum Special Tax. For Assessor’s Parcels of Final Map Property and Undeveloped Property to be prepaid, compute the Maximum Special Tax for that Assessor’s Parcel as though it was already designated as Developed Property, based upon the building permits issued for that Assessor’s Parcel.
3. Divide the Maximum Special Tax computed pursuant to Step 2 by the total estimated Maximum Special Tax for CFD No. 2025-1 based on the Developed Property Special Tax which could be charged in the current Fiscal Year on all expected development through Buildout of CFD No. 2025-1 (the “*Maximum Special Tax Percentage*”).
4. Multiply the Maximum Special Tax Percentage by the Outstanding CFD No. 2025-1 Bonds to compute the principal amount of Outstanding CFD No. 2025-1 Bonds to be redeemed (the “*Bond Redemption Amount*”).
5. Compute the Future Facilities Costs.

6. Multiply the Maximum Special Tax Percentage by the total Future Facilities Costs to compute the Future Facilities amount to be prepaid (the *"Future Facilities Amount"*).
7. Multiply the Bond Redemption Amount computed pursuant to Step 4 by the applicable redemption premium, if any, on the Outstanding CFD No. 2025-1 Bonds to be redeemed (the *"Redemption Premium"*) determined by reference to the Indenture.
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding CFD No. 2025-1 Bonds (the *"Interest Amount"*).
9. Verify the administrative fees and expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming the Outstanding CFD No. 2025-1 Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the *"Administrative Fees and Expenses"*).
10. If reserve funds for the Outstanding CFD No. 2025-1 Bonds held under the Indenture, if any, are at or above 100% of the then reserve requirement (as required by the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve requirement for the Outstanding CFD No. 2025-1 Bonds to be redeemed pursuant to the prepayment (the *"Reserve Fund Credit"*). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the applicable reserve requirement on the prepayment date or if the Reserve Fund is satisfied by a credit instrument rather than cash funded.
11. If any capitalized interest for the Outstanding CFD No. 2025-1 Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the Maximum Special Tax Percentage by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the *"Capitalized Interest Credit"*).
12. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 4, 6, 7, 8 and 9 less the amount computed pursuant to Steps 10 and 11 (the *"Prepayment Amount"*).
13. From the Prepayment Amount, the amounts computed pursuant to Step 6 shall be used by the County to pay for Future Facilities Costs. The amounts computed pursuant to Steps 4, 6, 7 and 8 shall be deposited into the appropriate fund as established under the Indenture and be used to redeem Outstanding CFD No. 2025-1 Bonds or make Debt Service payments. The amount computed pursuant to Step 9 shall be retained by the County for the payment of Administrative Fees and Expenses.

The Special Tax Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Outstanding CFD No. 2025-1 Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to

be used with the next prepayment of Outstanding CFD No. 2025-1 Bonds or to make Debt Service payments.

Current year Special Taxes that are not yet paid will remain outstanding and will be collected in the manner billed. With respect to any Assessor's Parcel that is prepaid, the CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Special Tax and the obligation of such Assessor's Parcel satisfied.

Notwithstanding the foregoing, no prepayment will be allowed unless the Maximum Special Tax that may be levied on Taxable Property both prior to and after the proposed prepayment is (i) at least 1.1 times the annual Debt Service on all Outstanding CFD No. 2025-1 Bonds in each future Fiscal Year, and (ii) at least 1.0 times the annual Debt Service on all Outstanding CFD No. 2025-1 Bonds plus annual Administrative Expenses in each future Fiscal Year, as reasonably estimated by the CFD Administrator.

2. Prepayment in Part

The Special Tax may be partially prepaid, provided that a partial prepayment may be made only after all authorized CFD No. 2025-1 Bonds have been issued and only for Assessor's Parcels of Developed Property, Final Map Property, Taxable Public Property and Undeveloped Property for which a Building Permit has been issued and only if there are no delinquent Annual Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. The amount of the prepayment shall be calculated as in Section I.1; except that a partial prepayment shall be calculated by the CFD Administrator according to the following formula:

$$PP = P_E \times F.$$

These terms have the following meaning:

PP = the partial prepayment

P_E = the Special Tax Prepayment Amount calculated according to Section I.1

F = the percentage of the Special Tax Prepayment Amount calculated according to Section I.1 to be prepaid

The Special Tax partial prepayment amount must be sufficient to redeem at least a \$5,000 increment of Bonds.

The owner of any Assessor's Parcel who desires such partial prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax for an Assessor's Parcel within 45 days of the request and may charge a fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the CFD Administrator shall (i) distribute the prepayment funds remitted according to Section I.1, and (ii) indicate in the records of CFD No. 2025-1 that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding

percentage (1.00 - F) of the remaining Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D.

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The Special Tax shall be levied and collected as needed to fund the Annual Special Tax Requirement for up to 45 years from the initial levy of the Special Tax. In any event no Special Tax shall be levied for CFD No. 2025-1 after the 2069/70 Fiscal Year, except that a Special Tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years.

ATTACHMENT 2 TO BALLOT

County of El Dorado
Community Facilities District No. 2025-1
(Promontory South)

LIST OF AUTHORIZED FACILITIES

Authorized facilities that may be funded through County of El Dorado Community Facilities District No. 2025-1 (Promontory South) include the following public improvements:

Roadway and Transportation Improvements

On-site and off-site facilities required to meet the needs of development within the Community Facilities District. Eligible improvements include, but are not limited to: Acquisition of land and easements; design; project management; clearing, grubbing, and demolition; grading, soil import/export; paving (including slurry seal), and decorative/enhanced pavement concrete and/or pavers; bridge crossings and culverts; joint trenches, underground utilities and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including onsite and off-site); enhanced fencing, and access ramps; street lights; intersections, signalization, and traffic signal control systems; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation; bus shelters, Bus Rapid Transit improvements including transfer stations and regional public transit improvements; masonry walls; traffic control and agency fees; and other improvements related thereto where required.

Potable Water System Improvements

On-site and off-site facilities required to meet the storage and conveyance needs of development within the Community Facilities District. Eligible improvements include, but are not limited to: Acquisition of land and easements; design; project management; water lines, transmission mains, valves, trenching, backfill, storage reservoirs and all necessary appurtenances thereto where required.

Drainage System Improvements

On-site and off-site facilities required to meet the storage and conveyance needs of development within the Community Facilities District. Eligible improvements include, but are not limited to: Acquisition of land and easements; design; project management; mains, pipelines and appurtenances; outfalls and water quality measures; temporary drainage facilities; detention/retention basins and drainage pretreatment facilities; drainage ways/channels; pump stations; landscaping and irrigation; access roads, gates, and fencing; striping and signage; and other improvements related thereto where required.

Wastewater System Improvements

On-site and off-site facilities required to meet the storage and conveyance needs of development within the Community Facilities District. Eligible improvements include, but are not limited to: Acquisition of land and easements; design; project management; pipelines and all appurtenances thereto; manholes; tie-in to existing main line; force mains; lift stations; odor-control facilities; sewer treatment plant improvements; and other improvements related thereto where required.

Park, Trails, Landscaping and Open Space Improvements

On-site and off-site facilities required to meet the needs of development within the Community Facilities District; eligible improvements include, but are not limited to: acquisition of land and easements; design; project management; grading; turf and irrigation; trees and shrubs; sidewalks pathways and trails; masonry sound walls; entry monumentation and signage; other related hard and soft-scape improvements along roadways and adjacent to or within parks, open space, drainage channels and detention basins; bike trails, bike/pedestrian bridges; storm drain crossings; wetland mitigation, tree mitigation, off-site hawk mitigation, and/or agricultural mitigation; endowment payments for open space management; landscaping and irrigation, access gates and fencing and related open space improvements.

Development Impact Fees

Authorized fees including impact fees levied by the County or any other eligible public agency at the time of the issuance of a building permit, final map or improvement plans as required for the development of the property.

Other Public Improvements

Other Public Improvements. Any and all other public improvements authorized under the Mello-Roos Community Facilities Act of 1982 and otherwise necessary to meet the needs of development within the Community Facilities District.

Incidental Expenses

In addition to the above facilities, other incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982, including, but not limited to, the cost of planning and designing the facilities (including the cost of environmental evaluation, remediation and mitigation); engineering and surveying; construction staking; utility relocation and demolition costs incidental to the construction of the public facilities; costs of project/construction management; costs (including the costs of legal services) associated with the formation of the Community Facilities District and the issuance of bonds, determination of the amount of taxes, collection of taxes; payment of taxes; or costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District; and any other expenses incidental to the construction, completion, and inspection of the facilities and related expenses associated with any of the foregoing.