

**CHULA VISTA ELEMENTARY SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

The Resolution of Intention refers to this Exhibit for an explanation of the rate and apportionment of the special tax so as to allow each landowner or resident within the proposed district to estimate the annual amount that would be required for payment.

For particulars as to the rate and method of apportionment, see the following:

BASE TAX

The base tax for fiscal year 1987-88 is \$196.00, and said base tax shall be annually adjusted to reflect changes in the Building Cost Index, not less than 2%. Once property is subject to a final building permit and is within the Category I tax rate, said property and tax rate shall only be subject to escalation not to exceed 2% per year. The "Building Cost Index" shall be the Building Cost Index for the City of Los Angeles adjusted annually based upon the last available data as of June 30th of each year, as set forth in the ENGINEERING NEWS-RECORD (ENR), McGraw-Hill Construction Weekly.

In determining the square footage of a parcel, the area of such parcel as shown on any final approved subdivision and/or parcel map, the square footage as shown on the last County Assessor's map for each year any tax is levied will be used.

TAX RATES

Tax rates shall be based upon and not exceed the annual base tax adjusted by the tax factor for each tax category as set forth below as determined on June 30th of each year. All taxable property shall be subject to a single rate of special tax levied in the following order of priority.

PROPERTY TAX CATEGORIES AND SPECIAL TAX FACTORS

CATEGORY I. FINAL LAND USE RATE: All property, upon the issuance of a building permit, shall be subject to the following taxes for a period not to exceed 25 years, said tax to be levied to pay for authorized public capital facilities and debt service on issued bonds:

<u>RESIDENTIAL (Sq Ft of lot or parcel)</u>	<u>FACTOR (% of Base Tax)</u>
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10,000 feet or larger	225%
8,000 to 9,999	185%
6,000 to 7,999	150%
5,000 to 5,999	135%
4,180 to 4,999	120%
Less than 4,179	100%

OTHER USES

FACTOR (% of Base Tax)

Duplex (per unit)	85%
Apartment (per unit)	45%
Condominium (per unit)	95%
Commercial/Industrial (per 1,000 sqft)	25%

CATEGORY II.APPROVED LAND USE RATE: If there is insufficient revenue from the Category I special tax to pay debt service on any outstanding bonds, special taxes shall then be levied on Category II property, said tax to be levied until all bonds have been discharged in the following manner:

The maximum annual special tax for any taxable property in this Category shall be levied and applicable to properties subject to a final subdivision tract and/or parcel map.

<u>RESIDENTIAL (Sq Ft of lot or parcel)</u>	<u>FACTOR (% of Base Tax)</u>
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10,000 feet or larger	225%
8,000 to 9,999	185%
6,000 to 7,999	150%
5,000 to 5,999	135%
4,180 to 4,999	120%
Less than 4,179	100%

<u>OTHER USES</u>	<u>FACTOR (% of Base Tax)</u>
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Duplex (per unit)	85%
Apartment (per unit)	45%
Condominium (per unit)	95%
Commercial/Industrial (per 1,000 sqft)	25%

CATEGORY III. ACREAGE RATE: If there is insufficient revenue from the Category I and Category II special tax to pay debt service on any outstanding bonds, special taxes shall then be levied on Category III property in the following manner:

Not to exceed \$1,600.00 per acre until all bonds have been discharged.

For all particulars relating to the implementation, further interpretation, definitions and all other particulars relating to the method and apportionment of the tax reference is made to the SPECIAL TAX REPORT as previously approved by this Board of trustees, a copy of which is on file in the Office of the Secretary and open for public inspection. The SPECIAL TAX REPORT shall control and govern as to any specifics relating to the implementation and administration of the total, maximum and/or annual debt service formula, and said REPORT is consistent with all materials as set forth in the Resolution of Formation.