

**CHULA VISTA ELEMENTARY SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 3**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

The Resolution of Intention refers to this Exhibit thereto 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 1988-89 is \$0.14, per square foot, and said base tax shall be annually adjusted to reflect changes in the Building Cost Index, but the annual increase will be not less than 2%. Once property is subject to a final building permit and thus 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.

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: 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</u>	<u>FACTOR (% of Base Tax)</u>
	100%
Single family dwelling unit	
Duplex	90%
Triplex	90%
Fourplex	90%
Condominium	90%
Townhome	90%
Apartment, per unit	60%
Retirement facility unit	16.67%
<u>OTHER USES</u>	<u>FACTORS (% of Base Tax)</u>
Commercial and/or Industrial	16.67%

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

Not to exceed \$1,500.00 per gross acre on any land which is not subject to Category I taxes and for which a tentative subdivision or parcel map has been approved by the City of Chula Vista and land shall continue to be subject to the tax as needed even if the map is subsequently removed and/or rescinded until all bonds have been discharged.

The SPECIAL TAX REPORT, as authorized by Government Code §53321.5, shall set forth all rules and further specifics relating to the implementation, interpretation and administration of the special tax formula.