

CITY OF CHULA VISTA

Amended Special Tax Report



Change Proceeding
CFD No. 16-I (Millenia)

Improvement Area No. 2

FEBRUARY 18, 2020



SPICER CONSULTING
GROUP

Table of Contents

Sections

1	Introduction	1
2	Description of Improvements	2
3	Cost Estimate	3
4	Description of Boundaries of District	5
5	Rate and Method of Apportionment	6
6	Certifications	8

Tables

3-1	Cost Estimate	4
4-1	Assessor Parcel Numbers	5
5-1	Improvement Area No. 2 Assigned Special Tax Rate for Developed Property	7

Appendices

A	Amended and Restated Rate and Method of Apportionment
B	Original Boundary Map
C	Amended Boundary Map
D	Resolution of Consideration

Background

On September 13, 2016, the City Council of the City of Chula Vista approved Resolution No. 2016-153 to form and establish Community Facilities District (the “CFD”) 16-I (Millenia) and to designate two improvement areas (“Improvement Area No. 1” and “Improvement Area No. 2”). CFD 16-I (“the original CFD”) was established to levy taxes to finance certain authorized facilities listed in the Description of the Facilities section of this report. Improvement Area 1 includes three Zones and remains unchanged with the boundary of the original CFD, and Improvement Area 2 includes two Zones whose boundaries have been slightly modified as reflected in Appendix C of this Report. Special taxes levied in both Improvement Areas are to finance the acquisition or construction of certain authorized facilities (the “Facilities”).

On January 7, 2020, the City Council (the “City Council”) of the City of Chula Vista (the “City”), adopted Resolution No. 2020-001 Resolution Of The City Council Of The City Of Chula Vista, Acting As The Legislative Body Of Community Facilities District No. 16-I (Millenia) Modifying Territory Within Improvement Area No. 2 Of Community Facilities District No. 16-I (Millenia) And Declaring Its Intention To Consider Changes To The Rate And Method Of Apportionment Of Special Taxes Authorized To Be Levied Within Improvement Area No. 2 Thereof (the “Resolution of Consideration”, or “Resolution 2020-001”). The Resolution of Consideration was made pursuant to the provisions of the “Mello-Roos Community Facilities Act of 1982”, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code Article 3 of the State of California, (the “Act”).

Section 53321.5 of the Act expressly required the preparation of a written Community Facilities District Special Tax Report (the “Report”), for the proposed City of Chula Vista Community Facilities District No. 16-I (Millenia) (the “CFD No. 16-I” or “District”). The report has been amended to reflect the modification of the boundaries of Improvement Area 2 and the Rate and Method of Apportionment of the Special Tax Improvement Area 2 (the “Amended Special Tax Report”).

Contents of the Amended Special Tax Report

1. A brief description of CFD No. 16-I;
2. A brief description of the Facilities required at the time of formation to meet the needs of CFD No. 16-I.
3. A brief description of the Boundaries of CFD No.16-I; and
4. An estimate of the cost of financing the bonds used to pay for the Facilities, including all costs associated with formation of the District, issuance of bonds, determination of the amount of any special taxes, collection of any special taxes, or costs otherwise incurred in order to carry out the authorized purposes of the City with respect to the District, and any other incidental expenses to be paid through the proposed financing.

For particulars, reference is made to the Resolution of Consideration as previously approved and adopted and is included in Appendix D.

NOW, THEREFORE, the undersigned, authorized representative of Spicer Consulting Group, LLC, the appointed responsible officer, or person directed to prepare this Report, does hereby submit the following data:

Description of the Facilities

A Community Facilities District may pay for public facilities and incidental expenses associated with the facilities and costs of establishing and administering the District (the "Incidental Expenses"). Facilities which may include all amounts necessary to eliminate any fixed special assessment liens or to pay, repay, or defease any obligation to pay for any indebtedness secured by any tax, fee, charge, or assessment levied, provide for the purchase, construction, expansion, or rehabilitation for any real or other tangible property with an estimated useful life of five (5) years or longer, which is necessary to meet increased demands placed upon local agencies as a result of development and/or rehabilitation occurring within the District.

The types of Facilities that are authorized to be financed with the proceeds of special taxes and bonds issued by CFD No. 16-I consist of street (both on-site grid streets and boundary arterials) and bridge improvements, including grading, paving, curbs and gutters, sidewalks, trails, medians, traffic signalization and signage, street lights, utilities, storm water drainage, detention and treatment, and landscaping and irrigation related thereto; sewer collection and conveyance facilities; off site storm detention and treatment facilities; park and recreation facilities (including land and improvements); fire facilities and equipment; library facilities and equipment, transit facilities; fiber optic telecommunication system facilities; general governmental office; administrative and meeting facilities; bus and rapid transit facilities and land; rights of way and easements necessary for any of such facilities.

Incidental Expenses

The Incidental Expenses to be paid from bond proceeds and/or special taxes include:

- a) The cost of engineering, planning and designing the Facilities; and
- b) All costs, including costs of the property owner petitioning to form the District, associated with the creation of the District, the issuance of the bonds, the determination of the amount of special taxes to be levied and costs otherwise incurred in order to carry out the authorized purposes of the District; and
- c) Any other expenses incidental to the construction, acquisition, modification, rehabilitation, completion and inspection of the Facilities.

Capitalized terms used and not defined herein shall have the meaning set forth in the Amended and Restated Rate and Method of Apportionment of Special Taxes for the District (see Appendix A).

All costs associated with the creation of CFD No. 16-I, the issuance of bonds and the determination of the amount of special taxes to be levied. The costs incurred in order to carry out the authorized purposes of CFD No. 16-I, including legal fees, fees of consultants, engineering, planning, designing and the annual costs to administer CFD No. 16-I and any obligations.

The description of the eligible public facilities, services and incidental expenses above are preliminary and general in nature. The final plans and specifications approved by the applicable public agency may show substitutes or modifications in order to accomplish the work or serve the new development and any such substitution or modification shall not constitute a change or modification in the proceedings relating to CFD No. 16-I.

Below is the estimated cost of facilities to be provided to the District.

- a) The maximum authorized bonded indebtedness for CFD No. 16-I is \$20,000,000 for Improvement Area No. 1 and \$21,000,000 for Improvement Area No. 2. Bonds of Improvement Area No. 1 were issued in June 2018 and yielded \$11,350,581 in net proceeds for facilities. The actual amount of bonds to be sold for Improvement Area No. 2 will depend upon a number of factors including interest rate on the bonds and compliance with the value-to-lien ratio criteria. The cost estimate of facilities, including incidental expenses, to be financed through the issuance of Improvement Area No. 2 Bonds is estimated to be \$10,590,000 for Improvement Area No. 2 (assuming a 4.5% interest rate and a 30-year bond term).
- b) For further particulars please reference Table 3-1 below and incorporated herein by reference.
- c) Pursuant to Section 53340 of the Act, the proceeds of any special tax levied and collected by CFD No. 16-I may be used only to pay for the cost of providing public facilities, services, and incidental expenses. The estimated incidental expenses associated with the annual administration of CFD No. 16-I are \$75,000 per improvement area.

Table 3-1
Cost Estimate

Improvements	Total Cost Estimate⁽¹⁾
1. Boundary Arterials	
a) Eastlake Parkway widening, medians, etc.	\$578,000
b) Birch Road widening, median landscaping, water quality, etc.	\$573,000
2. Millenia Avenue	\$9,027,000
3. Internal Streets	\$19,256,000
4. Bus Rapid Transit Guideway	
a) Phase 1 and 2 Guideway Improvements	\$2,074,000
b) Orion Street mixed flow lanes	Included in streets
5. Sidewalks and Pedestrian Corridor Improvements	\$11,759,000
6. Pedestrian Bridge facilities	
a) Pedestrian Bridge	\$2,200,000
b) Pedestrian trail to Eastlake Parkway	\$600,000
7. Storm Drain Facilities	
a) Detention / hydromod facilities	\$5,304,000
b) Water Quality Facilities	Included in 7a
c) Wolf Canyon Basin inlet structure modification	\$70,000
8. Sewer Facilities	
a) On-site	Included in streets
b) Poggi	\$300,000
c) Salt Creek lateral	\$140,000
d) Hunte Parkway Bypass	\$354,000
9. Library (including land, airspace or condominium interests)	TBD
10. Fire Station Facilities and Equipment	\$8,000,000
11. Public Parks (including land)	\$34,200,000
12. Environmental Mitigation Land	TBD
13. Art or Cultural Venue	TBD
14. Other City-owned public facilities	TBD
Total Eligible Improvements	\$94,435,000

Previously Financed by Bond Proceeds ⁽²⁾	\$11,350,581
Remaining Eligible Improvements⁽³⁾	\$83,084,419

Total Funded by Bond Proceeds from IA No. 2 ⁽⁴⁾	\$8,729,009
Total Eligible Improvements Remaining to be Funded	\$74,355,410

(1) Represents the total facilities eligible for funding.

(2) Represents the actual amount reimbursed to the master developer through CFD 16-I IA No. 1 bonds issued June 27, 2018.

(3) Represents the remaining amount eligible to be reimbursed to the master developer through the issuance of bonds in the future for CFD 16-I.

(4) Represents the estimated net bond proceed amounts for IA No. 2, subject to change based on market conditions.

A description of the exterior boundaries of the territory included in the original CFD No. 16-I, including properties and parcels of land subject to the levy of a Special Tax by CFD No. 16-I, is shown in Appendix B on the boundary map designated as "PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 16-I (MILLENNIA)". The amended boundaries for Improvement Area No. 2 are shown in Appendix C on the boundary map designated as "PROPOSED AMENDED BOUNDARY MAP OF COMMUNITY FACILITIES DISTRICT NO. 16-1 (MILLENNIA)", as which is on file in the office of the Clerk of the City Council of the City of Chula Vista and was recorded with the County Recorder of the County of San Diego on January 15, 2020 in Book 48 of Maps of Assessment and Community Facilities Districts at Page 67 and as Instrument Number 2020-7000009.

The District is located at to the south and east of the State Route 125 tollway/Birch Road interchange, to the west of Eastlake Parkway. CFD No. 16-I IA No. 2 includes the Assessor's Parcel Numbers in Table 4-1 below as of the time the boundary map was prepared.

Table 4-1
Assessor Parcel Numbers

Assessor Parcel Numbers
643-060-069
643-065-07 (Portion) ⁽¹⁾
643-065-08 (Portion) ⁽¹⁾
643-060-62
643-060-63

(1) Lots 1 and 4 of Map No. 16380, TR 09-03 recorded November 27, 2019.

A map showing the boundaries of CFD No. 16-I, which includes the original Assessor's Parcel Numbers, is included in Appendix B.

The Rate and Method of Apportionment for Improvement Area 1 and Improvement Area 2 provides information that allows each property owner within each such Improvement Area CFD No. 16-I to estimate the annual Special Tax amount that would be required for payment. The Rate and Method of Apportionment for Improvement Area No. 1 remains unchanged from when originally approved. The Rate and Method of Apportionment of the Special Tax for Improvement Area No. 2 established pursuant to these proceedings, is attached hereto as Appendix A (the "Amended and Restated Rate and Method"). The Special Tax for each Improvement Area will be collected in the same manner and at the same time as ordinary ad valorem property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the CFD Administrator may directly bill the Special Taxes, may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations.

The Amended and Restated Rate and Method was designed to ensure taxes levied in CFD 16-I Improvement Area No. 2 are consistent and proportional. The Developed Properties in CFD 16-I IA No. 2 will then be taxed proportionately up to 100% of the Maximum Special Tax for Developed Properties. If additional funds are necessary to meet the Special Tax Requirement, then Approved Property, Undeveloped Property, and Taxable Property Owner Association Property may be taxed.

All of the property located within CFD 16-I IA No. 2, unless exempted by law, shall be taxed for the purpose of providing necessary to finance the acquisition or construction of certain authorized facilities for the District. On each July 1, commencing on July 1, 2020 the Assigned Special Tax for Developed Property, see Table 5-1, shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

Pursuant to Section 53325.3 of the Act, the tax imposed "is a Special Tax and not a special assessment, and there is no requirement that the tax be apportioned on the basis of benefit to any property." The Special Tax may be based on the benefit received by property, the cost of making facilities or authorized services available or other reasonable basis as determined by the City, although the Special Tax may not be apportioned on an ad valorem basis pursuant to Article XIII A of the California Constitution.

Table 5-1
Improvement Area No. 2
Assigned Special Tax Rates for Developed Property
Fiscal Year 2019-20

Zone	Land Use Class	Land Use Type	Taxable Unit	Building Square Footage	Assigned Special Tax
A	1	Residential Property	Residential Unit	≤ 1,450 sq. ft	\$1,443.24
	2	Residential Property	Residential Unit	> 1,450 sq. ft	\$1,727.65
	3	Non-Residential Property	Per Acre	N/A	\$6,367.25
B	1	Residential Property	Per Acre	N/A	\$6,367.25
	2	Non-Residential Property	Per Acre	N/A	\$6,367.25

Escalation of Special Taxes of Improvement Area 2

On each July 1, commencing on July 1, 2020 the Assigned Special Tax shall increase by two percent (2.0%), of the amount in effect in the prior Fiscal Year.

Term of Special Tax of Improvement Area 2

The Special Tax shall be levied as long as necessary to meet the Special Tax Requirement, but in any event not after Fiscal Year 2059-60.

Manner of Collection

The annual Special Taxes levied shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that the CFD Administrator may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet the Districts financial obligations.

For particulars as to the Amended and Restated Rate and Method for CFD No. 16-I IA No. 2, see the attached and incorporated in Appendix A.

Based on the information provided herein, it is my opinion that the described facilities herein are those that are necessary to meet increased demands placed upon the City of Chula Vista as a result of development occurring within the CFD No. 16-I and benefits the lands within said CFD No. 16-I. Further, it is my opinion that the special tax rates and method of apportionment for Improvement Area 2, as set forth herein, are fair and equitable, uniformly applied and not discriminating or arbitrary. This Amended Special Tax Report amends the original Special Tax Report dated August 2016. The original Special Tax Report remains in effect except as amended by the Amended Special Tax Report.

Date: February 18, 2020

SPICER CONSULTING GROUP, LLC



SHANE SPICER
SPECIAL TAX CONSULTANT FOR
CITY OF CHULA VISTA
SAN DIEGO COUNTY
STATE OF CALIFORNIA

APPENDIX A

Amended and Restated Rate and Method of Apportionment



SPICER CONSULTING
G R O U P

**AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
COMMUNITY FACILITIES DISTRICT NO. 16-I (MILLENNIA)
IMPROVEMENT AREA NO. 2**

A Special Tax shall be levied on all Taxable Property within the boundaries of Improvement Area No. 2 of Community Facilities District No. 16-I (Millenia) (“IA2”) and collected each Fiscal Year commencing in Fiscal Year 2019-20, in an amount determined by the CFD Administrator through the application of the procedures described below. All of the real property within IA2, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

1. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**Acre**” or “**Acreage**” means the land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map, or if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Final Map. An Acre means 43,560 square feet of land. If the preceding maps for a land area are not available, the Acreage of such land area shall be determined by the City Engineer.

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

“**Administrative Expense Requirement**” means an annual amount equal to \$75,000, or such lesser amount as may be designated by written instruction from an authorized representative of the City to the Fiscal Agent, to be allocated as the first priority of Special Taxes received each Fiscal Year for the payment of Administrative Expenses.

“**Administrative Expenses**” means the following actual or reasonably estimated costs related to the administration of IA2 including, but not limited to: the costs of preparing and computing the Annual Special Tax (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City, the County or otherwise); the costs of remitting the Special Taxes to the Fiscal Agent; the costs of the Fiscal Agent (including its legal counsel) in the discharge of the duties required of it under the Fiscal Agent Agreement; the costs to the City, CFD No. 16-I, or any designee thereof complying with arbitrage rebate requirements, including without limitation rebate liability costs and periodic rebate calculations; the costs to the City, CFD No. 16-I, or any designee thereof complying with disclosure or reporting requirements of the City or CFD No. 16-I, associated with applicable federal and State laws; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs to the City, CFD No. 16-I, or any designee thereof related to an appeal of the Special Tax; and the City’s annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 16-I for any other administrative purposes of CFD No. 16-I, including attorney’s fees and other costs related to commencing and pursuing any foreclosure of delinquent Special Taxes.

“**Annual Special Tax**” means the Special Tax actually levied in any Fiscal Year on any Assessor’s Parcel.

“**Assessor**” means the Assessor of the County of San Diego.

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

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

“Assessor’s Parcel Number” means the number assigned to an Assessor’s Parcel by the County for purposes of identification.

“Assigned Special Tax” means the Special Tax of that name described in Section 3.A below.

“Backup Special Tax” means the Special Tax of that name described in Section 3.B below.

“Bonds” means any bonds or other debt of CFD No. 16-I issued or incurred for IA2, whether in one or more series, secured by the levy of Special Taxes.

“Building Permit” means a building permit for construction of a Residential Unit or non-residential structure within IA2 issued by the City.

“Building Square Footage” means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, or similar area. The determination of Building Square Footage shall be made by the CFD Administrator by reference to the Building Permit(s) issued for such Assessor’s Parcel and/or by reference to appropriate records kept by the City. Building Square Footage for a Residential Unit will be based on the Building Permit(s) issued for such Residential Unit prior to it being classified as Occupied Residential Property, and shall not change as a result of additions or modifications made to such Residential Unit after such classification as Occupied Residential Property.

“Calendar Year” means the period commencing January 1 of any year and ending the following December 31.

“CFD Administrator” means an authorized representative of the City, or designee thereof, responsible for determining the Special Tax Requirement, for preparing the Annual Special Tax roll and/or calculating the Backup Special Tax.

“CFD No. 16-I” means the Community Facilities District No. 16-I (Millenia).

“City” means the City of Chula Vista, California.

“City Council” means the City Council of the City acting as the legislative body of CFD No. 16-I under the Act.

“Condominium” means a unit, whether attached or detached, meeting the statutory definition of a condominium contained in the California Civil Code Section 4285.

“County” means the County of San Diego, California.

“Debt Service” means for each Fiscal Year, the total amount of principal and interest payable on any Outstanding Bonds during the Calendar Year commencing on January 1 of such Fiscal Year.

“Developed Property” means for each Fiscal Year, all Taxable Property, exclusive of Provisional Property, for which a Building Permit was issued prior to March 1 of the previous Fiscal Year. An Assessor’s Parcel classified as Developed Property but for which the Building Permit that caused such Assessor’s Parcel to be classified as Developed Property has been cancelled and/or voided prior to the

Fiscal Year for which Special Taxes are being levied shall be reclassified as Undeveloped Property, provided that the levy of the Annual Special Tax after such reclassification shall not be less than 1.1 times the annual Debt Service less Administrative Expenses on all Outstanding Bonds. If Bonds have not been issued, an Assessor's Parcel classified as Developed Property for which such a Building Permit has been cancelled and/or voided shall be reclassified as Undeveloped Property.

“Development Agreement” means that certain Development Agreement by and between the City of Chula Vista and McMillin Otay Ranch LLC adopted October 6, 2009 and recorded with the County of San Diego's Recorder's office on October 27, 2009 as Document Number 2009-0595116, as may be amended and/or supplemented from time to time.

“Exempt Property” means for each Fiscal Year, all Assessor's Parcels designated as being exempt from Special Taxes pursuant to Section 5 below.

“Final Map” means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, 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.

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

“Fiscal Agent” means the fiscal agent, trustee, or paying agent under the Fiscal Agent Agreement.

“Fiscal Agent Agreement” means the fiscal agent agreement, indenture, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“IA2” means Improvement Area No. 2 of CFD No. 16-I.

“Land Use Class” means any of the classes listed in Table 1 or 2 under Section 3A below.

Note: Land Uses Class is not in reference to a property's zoning designation.

“Lot(s)” means an individual legal lot created by a Final Map for which a building permit for residential construction has been or could be issued. Notwithstanding the foregoing, in the case of an individual legal lot created by such a Final Map upon which Condominiums are entitled to be developed, the number of Lots allocable to such legal lot for purposes of calculating the Backup Special Tax applicable to such Final Map shall equal the number of Condominiums which are permitted to be constructed on such legal lot as shown on such Final Map.

“Master Developer” means SLF IV-Millenia, LLC or its successors or assignees as defined in the Development Agreement.

“Maximum Special Tax” means for each Assessor's Parcel, the maximum Special Tax, determined in accordance with Sections 3.C and 3.D below, which may be levied in a given Fiscal Year on such Assessor's Parcel of Taxable Property.

“Non-Residential Property” means all Assessor's Parcels of Developed Property for which a Building Permit has been issued for the purpose of constructing one or more non-residential units or structures.

“Occupied Residential Property” means all Assessor Parcels of Residential Property for which title is held by an end user (homeowner).

“Outstanding Bonds” means all Bonds which are deemed to be outstanding under the Fiscal Agent Agreement.

“Prepayment Amount” means the amount required to prepay the Special Tax Obligation in full for an Assessor’s Parcel as described in Section 8.A below.

“Property Owner Association Property” means any Assessor’s Parcel within the boundaries of IA2 owned in fee by a property owner association, including any master or sub-association.

“Proportionately” or **“Proportionate”** means for Developed Property, that the ratio of the actual Special Tax levy to the applicable Assigned Special Tax or Backup Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor’s Parcels of Undeveloped Property. “Proportionately” may similarly be applied to other categories of Taxable Property as listed in Section 3 below.

“Provisional Property” means all Assessor’s Parcels of Public Property, Property Owner Association Property or property that would otherwise be classified as Exempt Property pursuant to the provisions of Section 5, but cannot be classified as Exempt Property because to do so would reduce the Acreage of all Taxable Property below the required minimum Acreage as set forth in Section 5.

“Public Property” means any property within the boundaries of IA2, which is owned by, or irrevocably offered for dedication to the federal government, the State of California, the County, the City or any other public agency; provided however that any property owned by a public agency and leased to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use.

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

“Residential Unit” means each separate residential dwelling unit that comprises an independent facility capable of conveyance or rental, separate from adjacent residential dwelling units.

“Special Tax” means any special tax levied within IA2 pursuant to the Act and this Amended and Restated Rate and Method of Apportionment of Special Tax.

“Special Tax Obligation” means the total obligation of an Assessor’s Parcel of Taxable Property to pay the Special Tax for the remaining life of IA2.

“Special Tax Requirement” means that amount required in any Fiscal Year to: (i) pay regularly scheduled Debt Service on all Outstanding Bonds; (ii) pay periodic costs on the Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on the Outstanding Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) accumulate funds to pay directly for acquisition or construction of facilities provided that the inclusion of such amount does not cause an increase in the Special Tax to be levied on Undeveloped Property; and (vi) pay for reasonably anticipated delinquent Special Taxes based on (a) the average delinquency rate for special taxes levied in the previous Fiscal Year in all community facilities districts within the portion of the City commonly known as Otay Ranch for the first Fiscal Year in which Special Taxes are levied and (b) the delinquency rate for Special Taxes levied in the previous Fiscal Year within IA2 for all subsequent Fiscal Years in which Special Taxes are levied; less (vii) a credit for funds available

to reduce the Annual Special Tax levy, as determined by the CFD Administrator pursuant to the Fiscal Agent Agreement.

“**State**” means the State of California.

“**Taxable Property**” means all of the Assessor’s Parcels within the boundaries of CFD, which are not exempt from the levy of the Special Tax pursuant to law or Section 5 below.

“**Undeveloped Property**” means, for each Fiscal Year, all Taxable Property not classified as Developed Property or Provisional Property.

“**Zone A**” means the specific geographic area designated as such within IA2 and as depicted in Exhibit A attached hereto.

“**Zone B**” means the specific geographic area designated as such within IA2 and as depicted in Exhibit A attached hereto.

2. LAND USE CLASSIFICATION

Each Fiscal Year, beginning with Fiscal Year 2019-20, each Assessor’s Parcel within IA2 shall be classified as Taxable Property or Exempt Property. In addition, all Taxable Property shall further be classified as Developed Property, Undeveloped Property or Provisional Property, and all such Taxable Property shall be subject to the levy of Special Taxes in accordance with this Amended and Restated Rate and Method of Apportionment of Special Tax determined pursuant to Sections 3 and 4 below. Furthermore, each Assessor’s Parcel of Developed Property shall be classified according to its applicable Land Use Class based on its Building Square Footage.

For Assessor’s Parcels of Non-Residential Property developed with Condominiums (e.g., office or industrial condos), the Acreage applicable to each such Condominium for purposes of levying Special Taxes shall be computed from the Acreage of the legal lot created by the Final Map upon which such Condominiums are entitled to be developed, with the Acreage of such lot allocated to each Condominium on a pro-rata basis using the building square footage of such Condominium relative to the total building square footage of all Condominiums entitled to be developed on such lot. The determination of Building Square Footage for each non-residential Condominium shall be made by reference to the applicable Building Permit, and to the extent a Building Permit has not been issued for all Condominiums to be located on the applicable legal lot, the Building Square Footage attributable to any such Condominiums shall be determined from the recorded condominium plan, or applicable site plan, plot plan, or other appropriate records kept by the City as reasonably determined by the CFD Administrator. In the event the City takes ownership of a Condominium within IA2 and such property in all other respects meets the definition of Public Property as set forth in Section 1, such property shall be exempt from Special Taxes pursuant to Section 5.

In the event a Building Permit is issued for one or more residential Condominiums prior to March 1 of the previous Fiscal Year and an Assessor’s Parcel Number has not yet been assigned to each such Condominium for the current Fiscal Year, the applicable Assessor’s Parcel may be classified as both Developed Property and Undeveloped Property. In such an instance, the Special Taxes levied on such Assessor’s Parcel shall be the sum of the amount derived from the following (i) applying the Assigned Special Tax applicable to each Condominium for which a Building Permit was issued prior to March 1 of the previous Fiscal Year and (ii) levying the acreage allocable to such actual or planned Condominiums for which a Building Permit has not been issued prior to March 1 of the previous Fiscal Year as Undeveloped Property; the allocable acreage shall be computed on a pro-rata basis based on the relative number of

remaining Condominiums to the total number of Condominiums entitled to be developed on such Assessor's Parcel. The total number of Condominiums entitled to be developed on the applicable Assessor's Parcel shall be determined from the recorded condominium map, condominium plan, applicable site plan, plot plan, or other appropriate records kept by the City as reasonably determined by the CFD Administrator.

3. SPECIAL TAX RATES

A. Assigned Special Tax for Developed Property

The Assigned Special Tax applicable to an Assessor's Parcel classified as Developed Property commencing Fiscal Year 2019-20 shall be determined pursuant to Table 1 or 2 below, as applicable.

**Table 1
Assigned Special Tax Rates for
Developed Property within Zone A**

<i>Land Use Class</i>	<i>Land Use Type</i>	<i>Building Square Footage</i>	<i>Assigned Special Tax</i>
1	Residential Property	≤ 1,450	\$1,443.24 per Residential Unit
2	Residential Property	> 1,450	\$1,727.65 per Residential Unit
3	Non-Residential Property	N/A	\$6,367.25 per Acre

**Table 2
Assigned Special Tax Rates for
Developed Property within Zone B**

<i>Land Use Class</i>	<i>Land Use Type</i>	<i>Building Square Footage</i>	<i>Assigned Special Tax</i>
1	Residential Property	N/A	\$6,367.25 per Acre
2	Non-Residential Property	N/A	\$6,367.25 per Acre

On each July 1, commencing July 1, 2020, the Assigned Special Tax for Developed Property shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

B. Backup Special Tax for Developed Property

When a Final Map or a condominium plan is recorded within Zone A or Zone B the Backup Special Tax for Assessor's Parcels of Developed Property classified as Residential Property shall be determined as follows:

Zone A

For each Assessor's Parcel of Residential Property or for each Assessor's Parcel of Undeveloped Property to be classified as Residential Property upon its development within the Final Map area

in Zone A, the Backup Special Tax for Fiscal Year 2019-20 shall be the rate per Lot calculated according to the following formula:

$$B = \frac{\text{Zone A} \\ \$42,148 \times A}{L}$$

The terms have the following meanings:

- B = Backup Special Tax per Lot
- A = Acreage classified or to be classified as Residential Property in such Final Map. The land area applicable to a Condominium shall be computed from the Acreage of the Lot on which the Condominium is located, with the Acreage for such Lot allocated equally among all of the Condominiums located or to be located on such Lot.
- L = For a Final Map, the number of Lots which are classified or to be classified as Residential Property.

Zone B

For each Assessor's Parcel of Developed Property classified as Non-Residential Property or for each Assessor's Parcel of Undeveloped Property to be classified as Non-Residential Property within the Final Map area, the Backup Special Tax for Fiscal Year 2019-20 shall be determined by multiplying \$42,148 for Zone A and \$7,075 for Zone B by the total Acreage of any such Assessor's Parcel. For each Assessor's Parcel of Developed Property classified as Residential Property or for each Assessor's Parcel of Undeveloped Property to be classified as Residential Property in Zone B within the Final Map area, the Backup Special Tax for Fiscal Year 2019-20 shall be determined by multiplying \$7,075 by the total Acreage of any such Assessor's Parcel.

Notwithstanding the foregoing, if Assessor's Parcels of Residential Property, Non-Residential Property or Undeveloped Property for which the Backup Special Tax has been determined are subsequently changed or modified by recordation of a new or amended Final Map, then the Backup Special Tax applicable to such Assessor's Parcels shall be recalculated to equal the total amount of Backup Special Tax that would have been generated if such change did not take place.

On each July 1, commencing July 1, 2020, the Backup Special Tax applicable to each Assessor's Parcel of Taxable Property shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

C. Maximum Special Tax for Developed Property

Each Fiscal Year, the Maximum Special Tax for an Assessor's Parcel of Developed Property shall be the greater of the applicable Assigned Special Tax or Backup Special Tax.

D. Maximum Special Tax for Provisional Property and Undeveloped Property

The Maximum Special Tax for Provisional Property and Undeveloped Property commencing in Fiscal Year 2019-20 shall be \$42,148 per Acre for Zone A and \$7,075 per Acre for Zone B.

On each July 1, commencing July 1, 2020, the Maximum Special Tax for Provisional Property and Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

E. Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax that may be levied on such an Assessor's Parcel shall only be levied on the Residential Property Land Use Class located on such Assessor's Parcel.

F. Administrative Special Tax Reduction

Prior to the issuance of Bonds, the Assigned Special Tax, Backup Special Tax, and Maximum Special Tax (collectively the "Special Tax Rates") on Taxable Property may be reduced in accordance with, and subject to the conditions set forth in this paragraph. Upon the City's receipt of a written request from Master Developer and the CFD Administrator, the Special Tax Rates on Taxable Property may be reduced to a level which will provide not less than the sum of estimated Administrative Expense Requirement and one hundred ten percent (110%) of the estimated debt service with respect to the amount of Bonds requested to be issued in such written request. If it is reasonably determined by the CFD Administrator that the total effective tax rate on Residential Property, as determined in accordance with the Development Agreement, exceeds the maximum level allowed in the Development Agreement, the Special Tax Rates may be reduced to the amount necessary to satisfy the maximum allowable effective tax rate requirement on Residential Property with the written consent of Master Developer, which consent shall not be unreasonably withheld, and the CFD Administrator. It shall not be required that reductions among each "Building Square Footage" range of Residential Property be proportional. Additionally, the "CFD Public Facilities Costs" amount in Section 8 shall be reduced commensurate with any reductions to the Special Tax Rates pursuant to this paragraph, as reasonably determined by the CFD Administrator. A certificate in substantially the form attached hereto as Exhibit "B" shall be used for purposes of evidencing the required written consent and effectuating the reduction to the Special Tax Rates. The reductions permitted pursuant to this paragraph shall be reflected in an amended Notice of Special Tax Lien which the City shall cause to be recorded.

4. METHOD OF APPORTIONMENT

For each Fiscal Year, commencing Fiscal Year 2019-20, the CFD Administrator shall levy the Special Tax on all Taxable Property in accordance with the following steps:

Step 1: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax to satisfy the Special Tax Requirement;

Step 2: If additional monies are needed to satisfy the Special Tax Requirement after Step 1 has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property;

Step 3: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the Special Tax amount determined in Step 1 shall be increased Proportionately on each Assessor's Parcel of Developed Property up to 100% of the Maximum Special Tax for Developed Property;

Step 4: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Property up to 100% of the Maximum Special Tax for Provisional Property.

Notwithstanding the above, under no circumstances will the Special Tax levied in any Fiscal Year against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased as a result of a delinquency or default in the payment of the Special Tax applicable to any other Assessor's Parcel within IA2 by more than ten percent (10%) above what would have been levied in the absence of such delinquencies or defaults.

5. EXEMPTIONS

The CFD Administrator shall classify as Exempt Property (i) Assessor's Parcels of Public Property, (ii) Assessor's Parcels of Property Owner Association Property, (iii) Assessor's Parcels which are used as places of worship and are exempt from ad valorem property taxes because they are owned by a religious organization, and (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, provided that no such classification would reduce the sum of all Taxable Property in IA2 to less than 13.29 Acres for Zone A or 7.51 Acres for Zone B. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the sum of all Taxable Property in IA2 to less than 13.29 Acres for Zone A or 7.51 Acres for Zone B, shall be classified as Provisional Property and will continue to be subject to the IA2 Special Taxes accordingly. Tax exempt status for the purpose of this paragraph will be assigned by the CFD Administrator in the chronological order in which property becomes eligible for classification as Exempt Property.

If the use of an Assessor's Parcel of Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in the first paragraph of Section 5 above that would make such Assessor's Parcel eligible to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property.

6. APPEALS

Any landowner who pays the Special Tax and claims the amount of the Special Tax levied on his or her Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error not later than thirty-six (36) months after first having paid the first installment of the Special Tax that is disputed. If following such consultation the CFD Administrator determines that an error has occurred, then the CFD Administrator shall take any of the following actions, in order of priority, in order to correct the error:

- (i) Amend the Special Tax levy on the landowner's Assessor's Parcel(s) for the current Fiscal Year prior to the payment date,
- (ii) Require the CFD to reimburse the landowner for the amount of the overpayment to the extent of available CFD funds, or
- (iii) Grant a credit against, eliminate or reduce the future Special Taxes on the landowner's Assessor's Parcel(s) in the amount of the overpayment.

If following such consultation and action by the CFD Administrator the landowner believes such error still exists, such person may file a written notice of appeal with the City Council. Upon the receipt of such notice, the City Council or designee may establish such procedures as deemed necessary to undertake the review of any such appeal. If the City Council or designee determines an error still exists, the CFD

Administrator shall take any of the actions described as (i), (ii) and (iii) above, in order of priority, in order to correct the error.

The City Council or designee thereof shall interpret this Amended and Restated Rate and Method of Apportionment of Special Tax for purposes of clarifying any ambiguities and make determinations relative to the administration of the Special Tax and any landowner appeals. The decision of the City Council or designee shall be final and binding as to all persons.

7. COLLECTION OF SPECIAL TAXES

Collection of the Annual Special Tax shall be made by the County in the same manner as ordinary ad valorem property taxes are collected and the Annual Special Tax shall be subject to the same penalties and the same lien priority in the case of delinquency as ad valorem taxes; provided, however, that the City Council may provide for (i) other means of collecting the Special Tax, including direct billings thereof to the property owners; and (ii) judicial foreclosure of delinquent Annual Special Taxes.

8. PREPAYMENT OF SPECIAL TAX OBLIGATION

A. Prepayment in Full

Property owners may prepay and permanently satisfy the Special Tax Obligation by a cash settlement with the City as permitted under Government Code Section 53344. The following definitions apply to this Section 8:

“CFD Public Facilities Costs” means \$11,500,000 or such lower number as (i) shall be determined by the CFD Administrator as sufficient to acquire or construct the facilities to be financed under the Act and financing program for IA2, or (ii) shall be determined by the City Council concurrently with a covenant that it will not issue any more Bonds (except refunding bonds).

“Construction Fund” means the fund (regardless of its name) established pursuant to the Fiscal Agent Agreement to hold funds, which are currently available for expenditure to acquire or construct the facilities or pay fees authorized to be funded by CFD No. 16-I for IA2.

“Future Facilities Costs” means the CFD Public Facilities Costs minus (i) costs previously paid from the Construction Fund to acquire or construct the facilities, (ii) monies currently on deposit in the Construction Fund, and (iii) monies currently on deposit in an escrow or other designated fund that are expected to be available to finance CFD Public Facilities Costs.

“Outstanding Bonds” means all Previously Issued Bonds, which remain outstanding as of the first interest and/or principal payment date following the current Fiscal Year excluding Bonds to be redeemed at a later date with proceeds of prior Special Tax prepayments.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

The Special Tax Obligation applicable to an Assessor’s Parcel of Developed Property, or Undeveloped Property for which a Building Permit has been issued may be prepaid and the obligation to pay the Special Tax for such Assessor’s Parcel permanently satisfied as described herein, provided that a prepayment may be made with respect to a particular Assessor’s Parcel only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel eligible to prepay the Special Tax Obligation shall

provide the CFD Administrator with written notice of intent to prepay, and designate or identify the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the Prepayment Amount for such Assessor's Parcel within thirty (30) days of the request, and may charge a reasonable fee for providing this service. Prepayment must be made at least 60 days prior to any redemption date for the Bonds to be redeemed with the proceeds of such prepaid Special Taxes, unless a shorter period is acceptable to the Fiscal Agent and the City.

The Prepayment Amount (defined below) shall be calculated for each applicable Assessor's Parcel or group of Assessor's Parcels as summarized below (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Future Facilities Prepayment Amount
plus Defeasance Amount
plus Prepayment Administrative Fees and Expenses
less Reserve Fund Credit
less Capitalized Interest Credit
Total: equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined in Step 14 below) shall be calculated as follows:

Step No.:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property, determine the Maximum Special Tax. For Assessor's Parcels of Undeveloped Property for which a Building Permit has been issued, compute the Maximum Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the Building Permit which has already been issued for that Assessor's Parcel.
3. Divide the Maximum Special Tax computed pursuant to paragraph 2 by the total expected Maximum Special Tax revenue for IA2 assuming all Building Permits have been issued (build-out) within IA2, excluding any Assessor's Parcels for which the Special Tax Obligation has been previously prepaid.
4. Multiply the quotient computed pursuant to paragraph 3 by the Outstanding Bonds and round that number up to the nearest \$5,000 increment to compute the amount of Outstanding Bonds to be retired and prepaid for all applicable Assessor's Parcels (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium (expressed as a percentage), if any, on the Outstanding Bonds to be redeemed at the first available call date (the "Redemption Premium").
6. Compute the Future Facilities Costs.

7. Multiply the quotient computed pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Prepayment Amount").
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 expected redemption date for the Outstanding Bonds which, depending on the Fiscal Agent Agreement, may be as early as the next interest payment date.
9. Compute the amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Prepayment Amount and the Prepayment Administrative Fees from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.
10. Subtract the amount computed in paragraph 9 from the amount computed in paragraph 8 (the "Defeasance Amount").
11. Calculate the administrative fees and expenses of CFD No. 16-I for IA2, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming the Outstanding Bonds to be redeemed with the prepayment, and the costs of recording any notices to evidence the prepayment and the redemption (the "Prepayment Administrative Fees").
12. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Fiscal Agent Agreement) on the prepayment calculation date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if, after the Prepayment Amount is calculated, reserve funds are below 100% of the reserve requirement after taking into account such prepayment.
13. If any capitalized interest for the Outstanding 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 quotient computed pursuant to paragraph 3 by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").
14. The amount to prepay the Special Tax Obligation is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 10, and 11, less the amounts computed pursuant to paragraphs 12 and 13 (the "Prepayment Amount").
15. From the Prepayment Amount, the sum of the amounts computed pursuant to paragraphs 4, 5, and 10, less the amounts computed pursuant to paragraphs 12 and 13 shall be deposited into the appropriate fund as established under the Fiscal Agent Agreement and be used to retire Outstanding Bonds or make Debt Service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 11 shall be retained by CFD No. 16-I.

The Prepayment Amount may be sufficient to redeem an amount other than a \$5,000 increment of Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in

the appropriate fund established under the Fiscal Agent Agreement to redeem Bonds to be used with the next prepayment of Bonds.

The CFD Administrator will confirm that all previously levied Special Taxes have been paid in full. With respect to any Assessor's Parcel for which the Special Tax Obligation is prepaid in full, once the CFD Administrator has confirmed that all previously levied Special Taxes have been paid, the City Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax Obligation and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of the owner of such Assessor's Parcel to pay the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the aggregate amount of Maximum Special Taxes less the Administrative Expense Requirement that may be levied on Taxable Property, respectively, after the proposed prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

B. Partial Prepayment

The Special Tax on an Assessor's Parcel of Developed Property or Undeveloped Property for which a Building Permit has been issued may be partially prepaid. The amount of the prepayment shall be calculated as in Section 8.A.; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (PE-A) \times F + A$$

These terms have the following meaning:

- PP = the partial prepayment
- PE = the Prepayment Amount calculated according to Section 8.A
- F = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax Obligation
- A = the Prepayment Administrative Fees and Expenses from Section 8.A

The owner of any Assessor's Parcel who desires such partial prepayment shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Special Tax Obligation, (ii) the percentage by which the Special Tax Obligation shall be prepaid, and (iii) the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax Obligation for an Assessor's Parcel within sixty (60) days of the request and may charge a reasonable fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the City shall (i) distribute the funds remitted to it according to Section 8.A., and (ii) indicate in the records of CFD No. 16-I for IA2 that there has been a partial prepayment of the Special Tax Obligation 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 Maximum Special Tax, shall continue to be levied on such Assessor's Parcel.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the aggregate amount of Maximum Special Taxes less the Administrative Expense Requirement that may be levied on Taxable Property, respectively, after the proposed partial prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

9. TERM OF SPECIAL TAX

The Special Tax shall be levied as long as necessary to meet the Special Tax Requirement, but in any event not after Fiscal Year 2059-60.

EXHIBIT A

SHEET 1 OF 1 SHEET

PROPOSED AMENDED BOUNDARY MAP OF COMMUNITY FACILITIES DISTRICT NO. 16-I (MILLENNIA)

CITY OF CHULA VISTA,
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 16-I (MILLENNIA), CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF CHULA VISTA AT A REGULAR MEETING THEREOF, HELD ON _____ DAY OF _____, 20____, BY RESOLUTION NO. _____

CITY CLERK
CITY OF CHULA VISTA

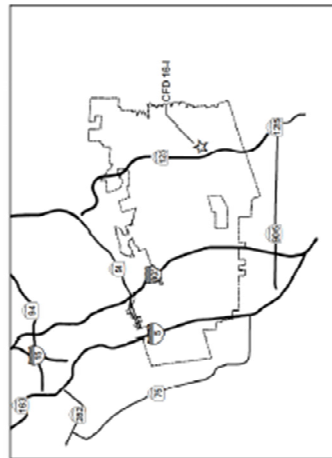
FILED IN THE OFFICE OF THE CITY CLERK, CITY OF CHULA VISTA,
THIS _____ DAY OF _____, 20____.

CITY CLERK
CITY OF CHULA VISTA

RECORDED THIS _____ DAY OF _____, 20____ AT
THE HOUR OF _____ O'CLOCK _____ M IN BOOK
PAGE _____ OF MAPS OF ASSESSMENT AND COMMUNITY
FACILITIES DISTRICTS IN THE OFFICE OF THE COUNTY
RECORDER, IN THE COUNTY OF SAN DIEGO, STATE OF
CALIFORNIA.

FEE: _____ NO. _____
ERNEST J. DRONENBURG, JR., ASSESSOR, RECORDER,
COUNTY CLERK

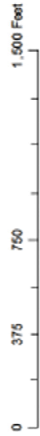
BY: _____
DEPUTY



LEGEND

- IMPROVEMENT/AREA 2 BOUNDARY
- PARCEL LINE
- ▨ ZONE A
- ▨ ZONE B
- 1 MAP REFERENCE NUMBER
- XXX-XXX-XXXX ASSESSOR PARCEL NUMBER

MAP REFERENCE NO.	ASSESSOR PARCEL NO.	LOT NO./FINAL MAP
1	643-060-69	LOT 19 OF FINAL MAP NO. 16081
2	643-065-07 (PORTION)	LOT 1 OF FINAL MAP NO. 16380
3	643-065-08 (PORTION)	LOT 4 OF FINAL MAP NO. 16380
4	643-060-62	LOT 12 OF FINAL MAP NO. 16081
5	643-060-63	LOT 13 OF FINAL MAP NO. 16081



THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT FOR DETAILS CONCERNING THE LINES AND DIMENSIONS OF LOTS OR PARCELS. THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2019-20.



EXHIBIT B

CITY OF CHULA VISTA AND CFD NO. 16-I CERTIFICATE

1. Pursuant to Section 3F of the Amended and Restated Rate and Method of Apportionment of Special Tax (the "RMA"), the City of Chula Vista (the "City") and Community Facilities District No. 16-I of the City of Chula Vista ("CFD No. 16-I") hereby agree to a reduction in the Special Tax for Developed Property, Undeveloped Property, and/or Provisional Property:
 - (a) The information in the RMA relating to the Special Tax for Developed Property, Undeveloped Property, and Provisional Property shall be modified as follows:

[insert Table 1 and/or 2 showing revised Assigned Special Tax rates for Developed Property, insert revised Backup Special Tax rates for Developed Property by Zone, and insert change to Maximum Special Tax rates for Undeveloped Property and Provisional Property by Zone]
 - (b) The CFD Public Facilities Costs in Section 8 shall be changed to \$ _____.
2. Special Tax rates for Taxable Property may only be modified prior to the issuance of Bonds.
3. Upon execution of the Certificate by the City and CFD No. 16-I the City shall cause an amended Notice of Special Tax Lien for IA2 to be recorded reflecting the modifications set forth herein.

By execution hereof, the undersigned acknowledges, on behalf of the City of Chula Vista and CFD No. 16-I, receipt of this Certificate and modification of the RMA as set forth in this Certificate.

CITY OF CHULA VISTA

By: _____
CFD Administrator

Date: _____

COMMUNITY FACILITIES DISTRICT NO. 16-I
OF THE CITY OF CHULA VISTA

By: _____

Date: _____

APPENDIX B

Original Boundary Map



SPICER CONSULTING
G R O U P

PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 16-I
(MILLENNIA)

CITY OF CHULA VISTA
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA



MAP REFERENCE NO.	ASSESSOR PARCEL NO.
1	643-060-51
2	643-060-57
3	643-060-61
4	643-060-67
5	643-060-64
6	643-060-34

LEGEND FOR SHEET 1

- IMPROVEMENT AREA NO. 1 BOUNDARY
- MAP REFERENCE NUMBER
- ZONE A
- ZONE B
- ZONE C

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF CHULA VISTA THIS 11th
DAY OF August, 2016

Alma R. Norris
CITY CLERK
CITY OF CHULA VISTA
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA



I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 16-I (MILLENNIA), CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF CHULA VISTA, AT A MEETING THEREOF, HELD ON THE DAY OF Aug 2, 2016, BY ITS RESOLUTION NO. 2016-153.

Alma R. Norris
CITY CLERK
CITY OF CHULA VISTA
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA

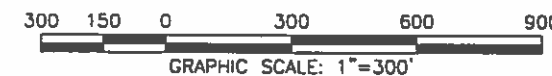


FILED THIS 11th DAY OF AUGUST, 2016 AT THE HOUR OF 4:16 O'CLOCK P.M.
IN BOOK 46 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS
AT PAGE 2 IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SAN
DIEGO, STATE OF CALIFORNIA. FILE NO. 2016-7000326

Ernest J. Dronenburg, Jr.
COUNTY RECORDER
COUNTY OF SAN DIEGO
STATE OF CALIFORNIA
ERNEST J. DRONENBURG, JR.

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS,
REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF SAN DIEGO,
STATE OF CALIFORNIA.

RICK
ENGINEERING COMPANY
5620 FRIARS ROAD
SAN DIEGO, CA 92110
619.291.0707
(FAX) 619.291.4165



2016-7000326





BK 46 PG 2

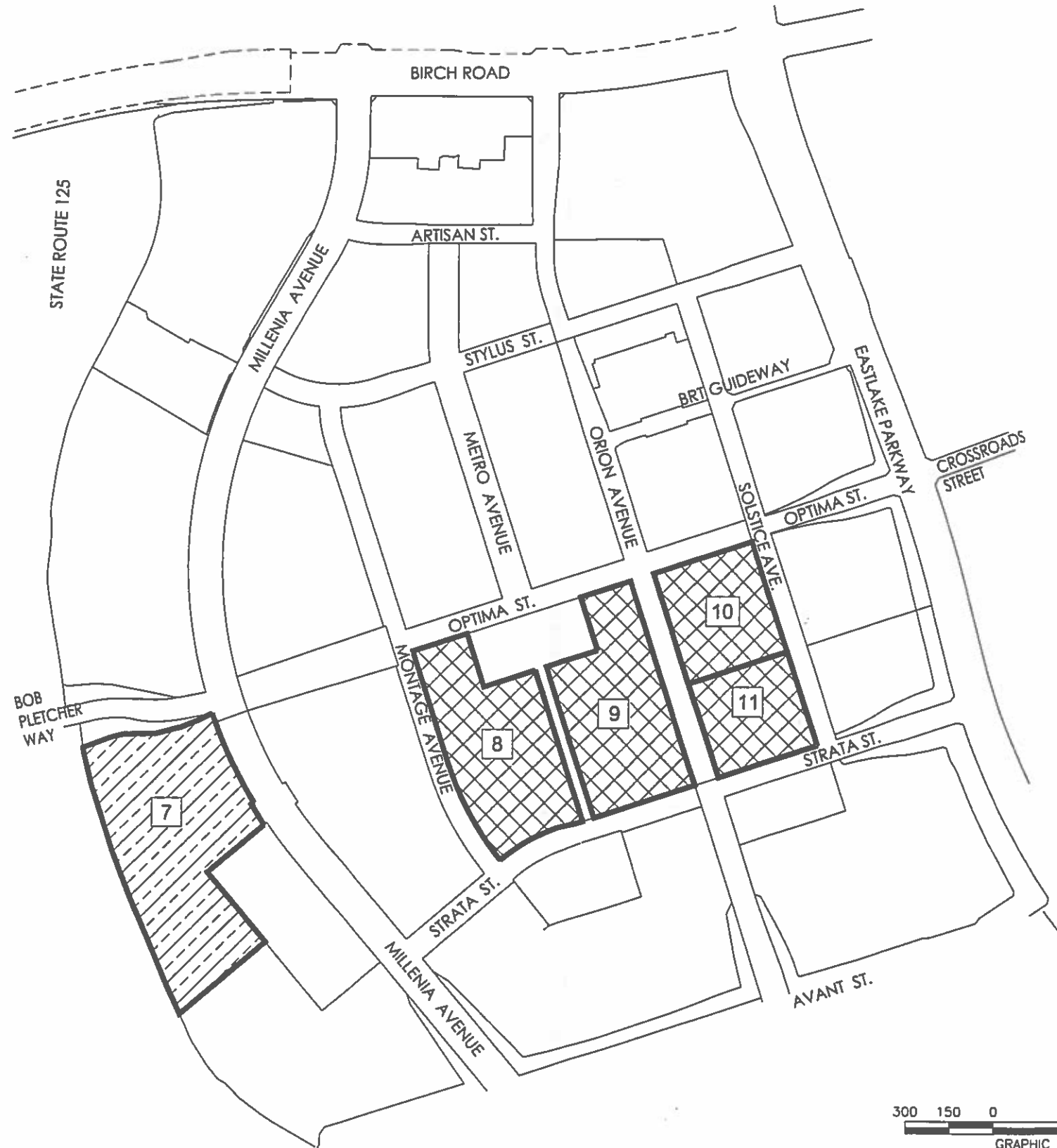
PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 16-I (MILLENIA)

CITY OF CHULA VISTA
 COUNTY OF SAN DIEGO
 STATE OF CALIFORNIA

MAP REFERENCE NO.	ASSESSOR PARCEL NO.
7	643-060-69
8	643-060-65
9	643-060-72
10	643-060-62
11	643-060-63

LEGEND FOR SHEET 2

-  IMPROVEMENT AREA NO. 2 BOUNDARY
-  MAP REFERENCE NUMBER
-  ZONE A
-  ZONE B



RICK
 ENGINEERING COMPANY
 5620 FRIARS ROAD
 SAN DIEGO, CA 92110
 619.291.0707
 (FAX) 619.291.4165

2016-7000326

BK 46 PG 3

APPENDIX C

Amended Boundary Map



SPICER CONSULTING
G R O U P

**PROPOSED AMENDED BOUNDARY MAP OF
COMMUNITY FACILITIES DISTRICT NO. 16-I
(MILLENNIA)
CITY OF CHULA VISTA,
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA**

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 16-I (MILLENNIA), CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF CHULA VISTA AT A REGULAR MEETING THEREOF, HELD ON 7TH DAY OF JANUARY 2020, BY RESOLUTION NO. 2020-001

THIS BOUNDARY MAP AMENDS SHEET 2 OF 2 OF PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 16-I (MILLENNIA) CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA FILED ON AUGUST 11, 2016 IN BOOK 46 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 3 AS DOCUMENT NO. 2016-7000326.

[Signature]
CITY CLERK
CITY OF CHULA VISTA



FILED IN THE OFFICE OF THE CITY CLERK, CITY OF CHULA VISTA, THIS 7TH DAY OF JANUARY 2020.

[Signature]
CITY CLERK
CITY OF CHULA VISTA



RECORDED THIS 15TH DAY OF JANUARY, 2020 AT THE HOUR OF 10:13 O'CLOCK A.M. IN BOOK 48 PAGE 67 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF THE COUNTY RECORDER, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA.

FEE: 43.00 NO.: 2020-7000009
ERNEST J. DRONENBURG, JR., ASSESSOR, RECORDER,
COUNTY CLERK

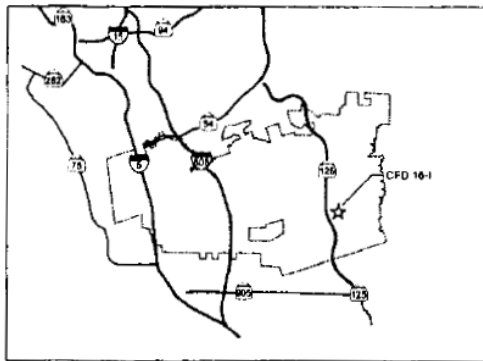
BY: [Signature]
DEPUTY

REFERENCE IS HEREBY MADE TO THE CITY OF CHULA VISTA TRACT MAP NO. 09-03 RECORDED IN THE OFFICIAL RECORDS OF THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AS DOCUMENT NO. 2019-7000481 FOR A DESCRIPTION OF THE LINES AND DIMENSIONS OF THESE PARCELS.



LEGEND

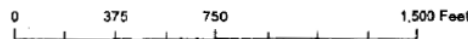
- IMPROVEMENT AREA 2 BOUNDARY
- PARCEL LINE
- ZONE A
- ZONE B
- MAP REFERENCE NUMBER
- ASSESSOR PARCEL NUMBER



MAP REFERENCE NO.	ASSESSOR PARCEL NO.	LOT NO./FINAL MAP
1	643-060-69	LOT 19 OF FINAL MAP NO. 16081
2	643-065-07 (PORTION)	LOT 1 OF FINAL MAP NO. 16380
3	643-065-08 (PORTION)	LOT 4 OF FINAL MAP NO. 16380
4	643-060-62	LOT 12 OF FINAL MAP NO. 16081
5	643-060-63	LOT 13 OF FINAL MAP NO. 16081



THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT. FOR DETAILS CONCERNING THE LINES AND DIMENSIONS OF LOTS OR PARCEL REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2019-20.



2020-7000009

BK 48 PG 67

BK 48 PG 67

2020-7000009

APPENDIX D

Resolution of Consideration



SPICER CONSULTING
G R O U P

RESOLUTION NO. 2020-001

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 16-I (MILLENNIA) MODIFYING TERRITORY WITHIN IMPROVEMENT AREA NO. 2 OF COMMUNITY FACILITIES DISTRICT NO. 16-I (MILLENNIA) AND DECLARING ITS INTENTION TO CONSIDER CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES AUTHORIZED TO BE LEVIED WITHIN IMPROVEMENT AREA NO. 2 THEREOF

WHEREAS, the City Council of the City of Chula Vista, California (the “City Council”), has previously undertaken proceedings to form Community Facilities District No. 16-I (Millenia) (the “District”), to designate two improvement areas therein (“Improvement Area No.1” and “Improvement Area No. 2” each an “Improvement Area” and collectively, the “Improvement Areas”) and to authorize the levy of special taxes within each Improvement Area and the issuance by the District of bonds for each Improvement Area pursuant to the provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”) and the City of Chula Vista Community Facilities District Ordinance enacted pursuant to the powers reserved by the City of Chula Vista under Sections 3, 5 and 7 of Article XI of the Constitution of the State of California (the “Ordinance”) (the Act and the Ordinance may be referred to collectively as the “Community Facilities District Law”) to finance the acquisition or construction of certain authorized facilities; and

WHEREAS, the qualified electors of each Improvement Area of the District, voting in a special election held on September 13, 2016, approved the authorization to levy special taxes within each Improvement Area pursuant to a separate rate and method of apportionment of such special taxes for each Improvement Area (the rate and method of apportionment of special taxes approved for Improvement Area No. 2 shall be referred to as the “Existing Improvement Area No. 2 RMA”); and

WHEREAS, subsequent to the formation of the District and such election, SLF IV-Millenia, LLC (the “Developer”), the master developer of the property within the District, has requested that the City Council, acting as the legislative body of the District, initiate proceedings to consider modifications to (a) delete certain commercial property from Improvement Area No. 2 and (b) the Existing Improvement Area No. 2 RMA (the “Change Proceedings”); and

WHEREAS, the Developer and the City entered into that certain Community Facilities District Advance Deposit and Reimbursement Agreement Community Facilities District No. 16-I (Millenia) on December 30, 2015 (the “Advance Deposit Agreement”) wherein the Developer agreed to advance funds to the City for the payment of all initial consulting and administration costs and expenses related to the proceedings to consider the formation of the District and to subsequently authorize, issue and sell bonds for the District (the “Proceedings”); and

Resolution No. 2020-001

Page No. 2

WHEREAS, the Developer and the City desire to amend the Advance Deposit Agreement to include the Change Proceedings and any future changes to the definition of Proceedings and there has been presented to this City Council a form of First Amendment to the Advance Deposit and Reimbursement Agreement (the “Amended Advance Deposit Agreement”); and

WHEREAS, the modified Improvement Area No. 2 is shown on an amended boundary map of Improvement Area No. 2, a copy of which is on file in the office of the City Clerk (the “Improvement Area No. 2 Amended Boundary Map”); and

WHEREAS, this City Council desires to initiate such proceedings and to set the time and place for a public hearing on this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, acting as the legislative body of community facilities district no. 16-I (Millenia), as follows:

SECTION 1. Recitals. The above recitals are all true and correct.

SECTION 2. Amended Boundaries of Improvement Area No. 2. The Improvement Area No. 2 Amended Boundary Map designated as “Amended Boundary Map of Community Facilities District No. 16-I (Millenia) City of Chula Vista, County of San Diego, State of California” showing the amended boundaries of the territory included in Improvement Area No. 2 of the District is hereby approved and adopted.

A certificate shall be endorsed on the original and on at least one (1) copy of the Improvement Area No. 2 Amended Boundary Map, evidencing the date of adoption of this Resolution, and within fifteen (15) days after the adoption of this Resolution, a copy of such map shall be filed with the correct and proper endorsements thereon with the County Recorder of the County of San Diego, all in the manner and form provided for in Sections 3110 and 3113 of the Streets and Highways Code of the State of California.

SECTION 3. Description of Area to be Affected. The area to be affected by the proposed modifications to the Existing Improvement Area No. 2 RMA, if approved, is all of Improvement Area No. 2 of the District as shown on the Improvement Area No. 2 Amended Boundary Map.

SECTION 4. Declaration of Intention to Consider the Modification of the Existing Improvement Area No. 2 RMA. This City Council hereby declares its intention to consider modification of the Existing Improvement Area No. 2 RMA so that the rate and method of apportionment of special taxes authorized to be levied within Improvement Area No. 2 reads as set forth in Exhibit A attached hereto and incorporated herein by this reference.

SECTION 5. Amended Advance Deposit Agreement. The form of Amended Advance Deposit Agreement that has been presented to this City Council is hereby approved. The City Manager is hereby authorized to execute such agreement for and on behalf of the City and the District with such changes thereto as such officer, following consultation with the City Attorney and Best Best & Kriger LLP, deems to be in the interests of the City and the District.

SECTION 6. Notice of Public Hearing. NOTICE IS HEREBY GIVEN that on February 18, 2020, at the hour of 5:00 o'clock p.m. in the regular meeting place of the legislative body, being the Council Chambers, City Hall, located at 276 Fourth Avenue, Chula Vista, California, a hearing will be held to consider this Resolution and to consider the approval of the modification of the Existing Improvement Area No. 2 RMA. At the time and place fixed for said public hearing any persons interested, including taxpayers and property owners may appear and be heard. The testimony of all interested persons for or against the modification of the Existing Improvement Area No. 2 RMA will be heard and considered. Any protests may be made orally or in writing, however, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk of the City on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the public hearing.

If (a) 50% or more of the registered voters, or six (6) registered voters, whichever is more, residing within Improvement Area No. 2, or (b) owners of one-half or more of the area of land in the territory included in Improvement Area No. 2, file written protests against the proposed modification of the Existing Improvement Area No. 2 RMA and such protests are not withdrawn so as to reduce the protests to less than a majority, no further proceedings shall be undertaken for a period of one year from the date of the decision by the City Council on the proposed modification of the Existing Improvement Area No. 2 RMA.

SECTION 7. Election. If, following the public hearing described in Section 5, the City Council determines to approve the modification of the Existing Improvement Area No. 2 RMA, the City Council shall then submit such modification to the qualified electors of Improvement Area No. 2 of the District. If at least twelve (12) persons, who need not necessarily be the same twelve (12) persons, have been registered to vote within Improvement Area No. 2 for each of the ninety (90) days preceding the close of the public hearing, the vote shall be by registered voters of Improvement Area No. 2, with each voter having one (1) vote. Otherwise, the vote shall be by the landowners of Improvement Area No. 2 who were the owners of record at the close of the subject hearing, with each landowner or the authorized representative thereof, having one (1) vote for each acre or portion of an acre of land owned within Improvement Area No. 2.

SECTION 8. Publication of Notice. Notice of the time and place of the public hearing shall be given by the City Clerk by publishing a notice of public hearing in a legally designated newspaper of general circulation, said publication pursuant to Section 6061 of the Government Code, with said publication to be completed at least seven (7) days prior to the date set for the public hearing.

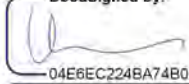
[SIGNATURES ON THE FOLLOWING PAGE]

Resolution No. 2020-001

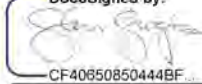
Page No. 4

Presented by

Approved as to form by

DocuSigned by:

04E6EC224BA74B0

Kelly G. Broughton, FASLA
Director of Development Services

DocuSigned by:

CF40650850444BF

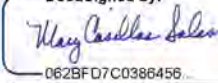
Glen R. Googins
City Attorney

PASSED, APPROVED, and ADOPTED by the City Council of the City of Chula Vista, California, this 7th day of January 2020 by the following vote:

AYES: Councilmembers: Diaz, Galvez, McCann, Padilla, and Casillas Salas

NAYS: Councilmembers: None

ABSENT: Councilmembers: None

DocuSigned by:

062BFD7C0386456

Mary Casillas Salas, Mayor

ATTEST:

DocuSigned by:


3074D104EAF342E

Kerry K. Bigelow, MMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)
CITY OF CHULA VISTA)

I, Kerry K. Bigelow, City Clerk of Chula Vista, California, do hereby certify that the foregoing Resolution No. 2020-001 was duly passed, approved, and adopted by the City Council at a regular meeting of the Chula Vista City Council held on the 7th day of January 2020.

Executed this 7th day of January 2020.

DocuSigned by:

3074D104EAF342E

Kerry K. Bigelow, MMC, City Clerk

EXHIBIT A

MODIFIED RATE AND METHOD OF APPORTIONMENT

**AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
COMMUNITY FACILITIES DISTRICT NO. 16-I (MILLENNIA)
IMPROVEMENT AREA NO. 2**

A Special Tax shall be levied on all Taxable Property within the boundaries of Improvement Area No. 2 of Community Facilities District No. 16-I (Millenia) ("IA2") and collected each Fiscal Year commencing in Fiscal Year 2019-20, in an amount determined by the CFD Administrator through the application of the procedures described below. All of the real property within IA2, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

1. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map. An Acre means 43,560 square feet of land. If the preceding maps for a land area are not available, the Acreage of such land area shall be determined by the City Engineer.

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

"Administrative Expense Requirement" means an annual amount equal to \$75,000, or such lesser amount as may be designated by written instruction from an authorized representative of the City to the Fiscal Agent, to be allocated as the first priority of Special Taxes received each Fiscal Year for the payment of Administrative Expenses.

"Administrative Expenses" means the following actual or reasonably estimated costs related to the administration of IA2 including, but not limited to: the costs of preparing and computing the Annual Special Tax (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City, the County or otherwise); the costs of remitting the Special Taxes to the Fiscal Agent; the costs of the Fiscal Agent (including its legal counsel) in the discharge of the duties required of it under the Fiscal Agent Agreement; the costs to the City, CFD No. 16-I, or any designee thereof complying with arbitrage rebate requirements, including without limitation rebate liability costs and periodic rebate calculations; the costs to the City, CFD No. 16-I, or any designee thereof complying with disclosure or reporting requirements of the City or CFD No. 16-I, associated with applicable federal and State laws; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs to the City, CFD No. 16-I, or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 16-I for any other administrative purposes of CFD No. 16-I, including attorney's fees and other costs related to commencing and pursuing any foreclosure of delinquent Special Taxes.

"Annual Special Tax" means the Special Tax actually levied in any Fiscal Year on any Assessor's Parcel.

Resolution No. 2020-001

Page No. 6

“**Assessor**” means the Assessor of the County of San Diego.

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

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

“**Assessor’s Parcel Number**” means the number assigned to an Assessor’s Parcel by the County for purposes of identification.

“**Assigned Special Tax**” means the Special Tax of that name described in Section 3.A below.

“**Backup Special Tax**” means the Special Tax of that name described in Section 3.B below.

“**Bonds**” means any bonds or other debt of CFD No. 16-I issued or incurred for IA2, whether in one or more series, secured by the levy of Special Taxes.

“**Building Permit**” means a building permit for construction of a Residential Unit or non-residential structure within IA2 issued by the City.

“**Building Square Footage**” means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, or similar area. The determination of Building Square Footage shall be made by the CFD Administrator by reference to the Building Permit(s) issued for such Assessor’s Parcel and/or by reference to appropriate records kept by the City. Building Square Footage for a Residential Unit will be based on the Building Permit(s) issued for such Residential Unit prior to it being classified as Occupied Residential Property, and shall not change as a result of additions or modifications made to such Residential Unit after such classification as Occupied Residential Property.

“**Calendar Year**” means the period commencing January 1 of any year and ending the following December 31.

“**CFD Administrator**” means an authorized representative of the City, or designee thereof, responsible for determining the Special Tax Requirement, for preparing the Annual Special Tax roll and/or calculating the Backup Special Tax.

“**CFD No. 16-I**” means the Community Facilities District No. 16-I (Millenia).

“**City**” means the City of Chula Vista, California.

“**City Council**” means the City Council of the City acting as the legislative body of CFD No. 16-I under the Act.

“**Condominium**” means a unit, whether attached or detached, meeting the statutory definition of a condominium contained in the California Civil Code Section 4285.

“**County**” means the County of San Diego, California.

“**Debt Service**” means for each Fiscal Year, the total amount of principal and interest payable on any Outstanding Bonds during the Calendar Year commencing on January 1 of such Fiscal Year.

“Developed Property” means for each Fiscal Year, all Taxable Property, exclusive of Provisional Property, for which a Building Permit was issued prior to March 1 of the previous Fiscal Year. An Assessor’s Parcel classified as Developed Property but for which the Building Permit that caused such Assessor’s Parcel to be classified as Developed Property has been cancelled and/or voided prior to the Fiscal Year for which Special Taxes are being levied shall be reclassified as Undeveloped Property, provided that the levy of the Annual Special Tax after such reclassification shall not be less than 1.1 times the annual Debt Service less Administrative Expenses on all Outstanding Bonds. If Bonds have not been issued, an Assessor’s Parcel classified as Developed Property for which such a Building Permit has been cancelled and/or voided shall be reclassified as Undeveloped Property.

“Development Agreement” means that certain Development Agreement by and between the City of Chula Vista and McMillin Otay Ranch LLC adopted October 6, 2009 and recorded with the County of San Diego’s Recorder’s office on October 27, 2009 as Document Number 2009-0595116, as may be amended and/or supplemented from time to time.

“Exempt Property” means for each Fiscal Year, all Assessor’s Parcels designated as being exempt from Special Taxes pursuant to Section 5 below.

“Final Map” means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, 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.

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

“Fiscal Agent” means the fiscal agent, trustee, or paying agent under the Fiscal Agent Agreement.

“Fiscal Agent Agreement” means the fiscal agent agreement, indenture, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“IA2” means Improvement Area No. 2 of CFD No. 16-I.

“Land Use Class” means any of the classes listed in Table 1 or 2 under Section 3A below.

Note: Land Uses Class is not in reference to a property’s zoning designation.

“Lot(s)” means an individual legal lot created by a Final Map for which a building permit for residential construction has been or could be issued. Notwithstanding the foregoing, in the case of an individual legal lot created by such a Final Map upon which Condominiums are entitled to be developed, the number of Lots allocable to such legal lot for purposes of calculating the Backup Special Tax applicable to such Final Map shall equal the number of Condominiums which are permitted to be constructed on such legal lot as shown on such Final Map.

“Master Developer” means SLF IV-Millenia, LLC or its successors or assignees as defined in the Development Agreement.

“Maximum Special Tax” means for each Assessor’s Parcel, the maximum Special Tax, determined in accordance with Sections 3.C and 3.D below, which may be levied in a given Fiscal Year on such Assessor’s Parcel of Taxable Property.

Resolution No. 2020-001

Page No. 8

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for the purpose of constructing one or more non-residential units or structures.

“Occupied Residential Property” means all Assessor Parcels of Residential Property for which title is held by an end user (homeowner).

“Outstanding Bonds” means all Bonds which are deemed to be outstanding under the Fiscal Agent Agreement.

“Prepayment Amount” means the amount required to prepay the Special Tax Obligation in full for an Assessor’s Parcel as described in Section 8.A below.

“Property Owner Association Property” means any Assessor’s Parcel within the boundaries of IA2 owned in fee by a property owner association, including any master or sub-association.

“Proportionately” or **“Proportionate”** means for Developed Property, that the ratio of the actual Special Tax levy to the applicable Assigned Special Tax or Backup Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor’s Parcels of Undeveloped Property. “Proportionately” may similarly be applied to other categories of Taxable Property as listed in Section 3 below.

“Provisional Property” means all Assessor’s Parcels of Public Property, Property Owner Association Property or property that would otherwise be classified as Exempt Property pursuant to the provisions of Section 5, but cannot be classified as Exempt Property because to do so would reduce the Acreage of all Taxable Property below the required minimum Acreage as set forth in Section 5.

“Public Property” means any property within the boundaries of IA2, which is owned by, or irrevocably offered for dedication to the federal government, the State of California, the County, the City or any other public agency; provided however that any property owned by a public agency and leased to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use.

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

“Residential Unit” means each separate residential dwelling unit that comprises an independent facility capable of conveyance or rental, separate from adjacent residential dwelling units.

“Special Tax” means any special tax levied within IA2 pursuant to the Act and this Amended and Restated Rate and Method of Apportionment of Special Tax.

“Special Tax Obligation” means the total obligation of an Assessor’s Parcel of Taxable Property to pay the Special Tax for the remaining life of IA2.

“Special Tax Requirement” means that amount required in any Fiscal Year to: (i) pay regularly scheduled Debt Service on all Outstanding Bonds; (ii) pay periodic costs on the Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on the Outstanding Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) accumulate funds to pay directly for acquisition or construction of facilities provided that the inclusion of such amount does not cause an increase in the Special Tax to be levied on Undeveloped

Property; and (vi) pay for reasonably anticipated delinquent Special Taxes based on (a) the average delinquency rate for special taxes levied in the previous Fiscal Year in all community facilities districts within the portion of the City commonly known as Otay Ranch for the first Fiscal Year in which Special Taxes are levied and (b) the delinquency rate for Special Taxes levied in the previous Fiscal Year within IA2 for all subsequent Fiscal Years in which Special Taxes are levied; less (vii) a credit for funds available to reduce the Annual Special Tax levy, as determined by the CFD Administrator pursuant to the Fiscal Agent Agreement.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD, which are not exempt from the levy of the Special Tax pursuant to law or Section 5 below.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property or Provisional Property.

“Zone A” means the specific geographic area designated as such within IA2 and as depicted in Exhibit A attached hereto.

“Zone B” means the specific geographic area designated as such within IA2 and as depicted in Exhibit A attached hereto.

2. LAND USE CLASSIFICATION

Each Fiscal Year, beginning with Fiscal Year 2019-20, each Assessor’s Parcel within IA2 shall be classified as Taxable Property or Exempt Property. In addition, all Taxable Property shall further be classified as Developed Property, Undeveloped Property or Provisional Property, and all such Taxable Property shall be subject to the levy of Special Taxes in accordance with this Amended and Restated Rate and Method of Apportionment of Special Tax determined pursuant to Sections 3 and 4 below. Furthermore, each Assessor’s Parcel of Developed Property shall be classified according to its applicable Land Use Class based on its Building Square Footage.

For Assessor’s Parcels of Non-Residential Property developed with Condominiums (e.g., office or industrial condos), the Acreage applicable to each such Condominium for purposes of levying Special Taxes shall be computed from the Acreage of the legal lot created by the Final Map upon which such Condominiums are entitled to be developed, with the Acreage of such lot allocated to each Condominium on a pro-rata basis using the building square footage of such Condominium relative to the total building square footage of all Condominiums entitled to be developed on such lot. The determination of Building Square Footage for each non-residential Condominium shall be made by reference to the applicable Building Permit, and to the extent a Building Permit has not been issued for all Condominiums to be located on the applicable legal lot, the Building Square Footage attributable to any such Condominiums shall be determined from the recorded condominium plan, or applicable site plan, plot plan, or other appropriate records kept by the City as reasonably determined by the CFD Administrator. In the event the City takes ownership of a Condominium within IA2 and such property in all other respects meets the definition of Public Property as set forth in Section 1, such property shall be exempt from Special Taxes pursuant to Section 5.

In the event a Building Permit is issued for one or more residential Condominiums prior to March 1 of the previous Fiscal Year and an Assessor’s Parcel Number has not yet been assigned to each such Condominium for the current Fiscal Year, the applicable Assessor’s Parcel may be classified as both Developed Property and Undeveloped Property. In such an instance, the Special Taxes levied on such

Resolution No. 2020-001

Page No. 10

Assessor's Parcel shall be the sum of the amount derived from the following (i) applying the Assigned Special Tax applicable to each Condominium for which a Building Permit was issued prior to March 1 of the previous Fiscal Year and (ii) levying the acreage allocable to such actual or planned Condominiums for which a Building Permit has not been issued prior to March 1 of the previous Fiscal Year as Undeveloped Property; the allocable acreage shall be computed on a pro-rata basis based on the relative number of remaining Condominiums to the total number of Condominiums entitled to be developed on such Assessor's Parcel. The total number of Condominiums entitled to be developed on the applicable Assessor's Parcel shall be determined from the recorded condominium map, condominium plan, applicable site plan, plot plan, or other appropriate records kept by the City as reasonably determined by the CFD Administrator.

3. SPECIAL TAX RATES

A. Assigned Special Tax for Developed Property

The Assigned Special Tax applicable to an Assessor's Parcel classified as Developed Property commencing Fiscal Year 2019-20 shall be determined pursuant to Table 1 or 2 below, as applicable.

Table 1
Assigned Special Tax Rates for
Developed Property within Zone A

<i>Land Use Class</i>	<i>Land Use Type</i>	<i>Building Square Footage</i>	<i>Assigned Special Tax</i>
1	Residential Property	≤ 1,450	\$1,443.24 per Residential Unit
2	Residential Property	> 1,450	\$1,727.65 per Residential Unit
3	Non-Residential Property	N/A	\$6,367.25 per Acre

Table 2
Assigned Special Tax Rates for
Developed Property within Zone B

<i>Land Use Class</i>	<i>Land Use Type</i>	<i>Building Square Footage</i>	<i>Assigned Special Tax</i>
1	Residential Property	N/A	\$6,367.25 per Acre
2	Non-Residential Property	N/A	\$6,367.25 per Acre

On each July 1, commencing July 1, 2020, the Assigned Special Tax for Developed Property shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

B. Backup Special Tax for Developed Property

When a Final Map or a condominium plan is recorded within Zone A or Zone B the Backup Special Tax for Assessor's Parcels of Developed Property classified as Residential Property shall be determined as follows:

Zone A

For each Assessor's Parcel of Residential Property or for each Assessor's Parcel of Undeveloped Property to be classified as Residential Property upon its development within the Final Map area in Zone A, the Backup Special Tax for Fiscal Year 2019-20 shall be the rate per Lot calculated according to the following formula:

$$B = \frac{\text{Zone A} \\ \$42,148 \times A}{L}$$

The terms have the following meanings:

- B = Backup Special Tax per Lot
- A = Acreage classified or to be classified as Residential Property in such Final Map. The land area applicable to a Condominium shall be computed from the Acreage of the Lot on which the Condominium is located, with the Acreage for such Lot allocated equally among all of the Condominiums located or to be located on such Lot.
- L = For a Final Map, the number of Lots which are classified or to be classified as Residential Property.

Zone B

For each Assessor's Parcel of Developed Property classified as Non-Residential Property or for each Assessor's Parcel of Undeveloped Property to be classified as Non-Residential Property within the Final Map area, the Backup Special Tax for Fiscal Year 2019-20 shall be determined by multiplying \$42,148 for Zone A and \$7,075 for Zone B by the total Acreage of any such Assessor's Parcel. For each Assessor's Parcel of Developed Property classified as Residential Property or for each Assessor's Parcel of Undeveloped Property to be classified as Residential Property in Zone B within the Final Map area, the Backup Special Tax for Fiscal Year 2019-20 shall be determined by multiplying \$7,075 by the total Acreage of any such Assessor's Parcel.

Notwithstanding the foregoing, if Assessor's Parcels of Residential Property, Non-Residential Property or Undeveloped Property for which the Backup Special Tax has been determined are subsequently changed or modified by recordation of a new or amended Final Map, then the Backup Special Tax applicable to such Assessor's Parcels shall be recalculated to equal the total amount of Backup Special Tax that would have been generated if such change did not take place.

On each July 1, commencing July 1, 2020, the Backup Special Tax applicable to each Assessor's Parcel of Taxable Property shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

Resolution No. 2020-001

Page No. 12

C. Maximum Special Tax for Developed Property

Each Fiscal Year, the Maximum Special Tax for an Assessor's Parcel of Developed Property shall be the greater of the applicable Assigned Special Tax or Backup Special Tax.

D. Maximum Special Tax for Provisional Property and Undeveloped Property

The Maximum Special Tax for Provisional Property and Undeveloped Property commencing in Fiscal Year 2019-20 shall be \$42,148 per Acre for Zone A and \$7,075 per Acre for Zone B.

On each July 1, commencing July 1, 2020, the Maximum Special Tax for Provisional Property and Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

E. Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax that may be levied on such an Assessor's Parcel shall only be levied on the Residential Property Land Use Class located on such Assessor's Parcel.

F. Administrative Special Tax Reduction

Prior to the issuance of Bonds, the Assigned Special Tax, Backup Special Tax, and Maximum Special Tax (collectively the "Special Tax Rates") on Taxable Property may be reduced in accordance with, and subject to the conditions set forth in this paragraph. Upon the City's receipt of a written request from Master Developer and the CFD Administrator, the Special Tax Rates on Taxable Property may be reduced to a level which will provide not less than the sum of estimated Administrative Expense Requirement and one hundred ten percent (110%) of the estimated debt service with respect to the amount of Bonds requested to be issued in such written request. If it is reasonably determined by the CFD Administrator that the total effective tax rate on Residential Property, as determined in accordance with the Development Agreement, exceeds the maximum level allowed in the Development Agreement, the Special Tax Rates may be reduced to the amount necessary to satisfy the maximum allowable effective tax rate requirement on Residential Property with the written consent of Master Developer, which consent shall not be unreasonably withheld, and the CFD Administrator. It shall not be required that reductions among each "Building Square Footage" range of Residential Property be proportional. Additionally, the "CFD Public Facilities Costs" amount in Section 8 shall be reduced commensurate with any reductions to the Special Tax Rates pursuant to this paragraph, as reasonably determined by the CFD Administrator. A certificate in substantially the form attached hereto as Exhibit "B" shall be used for purposes of evidencing the required written consent and effectuating the reduction to the Special Tax Rates. The reductions permitted pursuant to this paragraph shall be reflected in an amended Notice of Special Tax Lien which the City shall cause to be recorded.

4. METHOD OF APPORTIONMENT

For each Fiscal Year, commencing Fiscal Year 2019-20, the CFD Administrator shall levy the Special Tax on all Taxable Property in accordance with the following steps:

Step 1: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax to satisfy the Special Tax Requirement;

Step 2: If additional monies are needed to satisfy the Special Tax Requirement after Step 1 has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property;

Step 3: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the Special Tax amount determined in Step 1 shall be increased Proportionately on each Assessor's Parcel of Developed Property up to 100% of the Maximum Special Tax for Developed Property;

Step 4: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Property up to 100% of the Maximum Special Tax for Provisional Property.

Notwithstanding the above, under no circumstances will the Special Tax levied in any Fiscal Year against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased as a result of a delinquency or default in the payment of the Special Tax applicable to any other Assessor's Parcel within IA2 by more than ten percent (10%) above what would have been levied in the absence of such delinquencies or defaults.

5. EXEMPTIONS

The CFD Administrator shall classify as Exempt Property (i) Assessor's Parcels of Public Property, (ii) Assessor's Parcels of Property Owner Association Property, (iii) Assessor's Parcels which are used as places of worship and are exempt from ad valorem property taxes because they are owned by a religious organization, and (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, provided that no such classification would reduce the sum of all Taxable Property in IA2 to less than 13.29 Acres for Zone A or 7.51 Acres for Zone B. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the sum of all Taxable Property in IA2 to less than 13.29 Acres for Zone A or 7.51 Acres for Zone B, shall be classified as Provisional Property and will continue to be subject to the IA2 Special Taxes accordingly. Tax exempt status for the purpose of this paragraph will be assigned by the CFD Administrator in the chronological order in which property becomes eligible for classification as Exempt Property.

If the use of an Assessor's Parcel of Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in the first paragraph of Section 5 above that would make such Assessor's Parcel eligible to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property.

6. APPEALS

Any landowner who pays the Special Tax and claims the amount of the Special Tax levied on his or her Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error not later than thirty-six (36) months after first having paid the first installment of the Special Tax that is disputed. If following such consultation the CFD Administrator determines that an error has occurred, then the CFD Administrator shall take any of the following actions, in order of priority, in order to correct the error:

- (i) Amend the Special Tax levy on the landowner's Assessor's Parcel(s) for the current Fiscal Year prior to the payment date,
- (ii) Require the CFD to reimburse the landowner for the amount of the overpayment to the extent of available CFD funds, or

Resolution No. 2020-001

Page No. 14

- (iii) Grant a credit against, eliminate or reduce the future Special Taxes on the landowner's Assessor's Parcel(s) in the amount of the overpayment.

If, following such consultation and action by the CFD Administrator, the landowner believes such error still exists, such person may file a written notice of appeal with the City Council. Upon the receipt of such notice, the City Council or designee may establish such procedures as deemed necessary to undertake the review of any such appeal. If the City Council or designee determines an error still exists, the CFD Administrator shall take any of the actions described as (i), (ii) and (iii) above, in order of priority, in order to correct the error.

The City Council or designee thereof shall interpret this Amended and Restated Rate and Method of Apportionment of Special Tax for purposes of clarifying any ambiguities and make determinations relative to the administration of the Special Tax and any landowner appeals. The decision of the City Council or designee shall be final and binding as to all persons.

7. COLLECTION OF SPECIAL TAXES

Collection of the Annual Special Tax shall be made by the County in the same manner as ordinary ad valorem property taxes are collected and the Annual Special Tax shall be subject to the same penalties and the same lien priority in the case of delinquency as ad valorem taxes; provided, however, that the City Council may provide for (i) other means of collecting the Special Tax, including direct billings thereof to the property owners; and (ii) judicial foreclosure of delinquent Annual Special Taxes.

8. PREPAYMENT OF SPECIAL TAX OBLIGATION

A. Prepayment in Full

Property owners may prepay and permanently satisfy the Special Tax Obligation by a cash settlement with the City as permitted under Government Code Section 53344. The following definitions apply to this Section 8:

"CFD Public Facilities Costs" means \$11,500,000 or such lower number as (i) shall be determined by the CFD Administrator as sufficient to acquire or construct the facilities to be financed under the Act and financing program for IA2, or (ii) shall be determined by the City Council concurrently with a covenant that it will not issue any more Bonds (except refunding bonds).

"Construction Fund" means the fund (regardless of its name) established pursuant to the Fiscal Agent Agreement to hold funds, which are currently available for expenditure to acquire or construct the facilities or pay fees authorized to be funded by CFD No. 16-I for IA2.

"Future Facilities Costs" means the CFD Public Facilities Costs minus (i) costs previously paid from the Construction Fund to acquire or construct the facilities, (ii) monies currently on deposit in the Construction Fund, and (iii) monies currently on deposit in an escrow or other designated fund that are expected to be available to finance CFD Public Facilities Costs.

"Outstanding Bonds" means all Previously Issued Bonds, which remain outstanding as of the first interest and/or principal payment date following the current Fiscal Year excluding Bonds to be redeemed at a later date with proceeds of prior Special Tax prepayments.

"Previously Issued Bonds" means all Bonds that have been issued prior to the date of prepayment.

The Special Tax Obligation applicable to an Assessor's Parcel of Developed Property, or Undeveloped Property for which a Building Permit has been issued may be prepaid and the obligation to pay the Special Tax for such Assessor's Parcel permanently satisfied as described herein, provided that a prepayment may be made with respect to a particular Assessor's Parcel only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel eligible to prepay the Special Tax Obligation shall provide the CFD Administrator with written notice of intent to prepay, and designate or identify the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the Prepayment Amount for such Assessor's Parcel within thirty (30) days of the request, and may charge a reasonable fee for providing this service. Prepayment must be made at least 60 days prior to any redemption date for the Bonds to be redeemed with the proceeds of such prepaid Special Taxes, unless a shorter period is acceptable to the Fiscal Agent and the City.

The Prepayment Amount (defined below) shall be calculated for each applicable Assessor's Parcel or group of Assessor's Parcels as summarized below (capitalized terms as defined below):

Bond Redemption Amount
 plus Redemption Premium
 plus Future Facilities Prepayment Amount
 plus Defeasance Amount
 plus Prepayment Administrative Fees and Expenses
 less Reserve Fund Credit
 less Capitalized Interest Credit
 Total: equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined in Step 14 below) shall be calculated as follows:

Step No.:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property, determine the Maximum Special Tax. For Assessor's Parcels of Undeveloped Property for which a Building Permit has been issued, compute the Maximum Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the Building Permit which has already been issued for that Assessor's Parcel.
3. Divide the Maximum Special Tax computed pursuant to paragraph 2 by the total expected Maximum Special Tax revenue for IA2 assuming all Building Permits have been issued (build-out) within IA2, excluding any Assessor's Parcels for which the Special Tax Obligation has been previously prepaid.
4. Multiply the quotient computed pursuant to paragraph 3 by the Outstanding Bonds and round that number up to the nearest \$5,000 increment to compute the amount of Outstanding Bonds to be retired and prepaid for all applicable Assessor's Parcels (the "Bond Redemption Amount").

Resolution No. 2020-001

Page No. 16

5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium (expressed as a percentage), if any, on the Outstanding Bonds to be redeemed at the first available call date (the "Redemption Premium").
6. Compute the Future Facilities Costs.
7. Multiply the quotient computed pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Prepayment Amount").
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 expected redemption date for the Outstanding Bonds which, depending on the Fiscal Agent Agreement, may be as early as the next interest payment date.
9. Compute the amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Prepayment Amount and the Prepayment Administrative Fees from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.
10. Subtract the amount computed in paragraph 9 from the amount computed in paragraph 8 (the "Defeasance Amount").
11. Calculate the administrative fees and expenses of CFD No. 16-I for IA2, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming the Outstanding Bonds to be redeemed with the prepayment, and the costs of recording any notices to evidence the prepayment and the redemption (the "Prepayment Administrative Fees").
12. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Fiscal Agent Agreement) on the prepayment calculation date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if, after the Prepayment Amount is calculated, reserve funds are below 100% of the reserve requirement after taking into account such prepayment.
13. If any capitalized interest for the Outstanding 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 quotient computed pursuant to paragraph 3 by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").
14. The amount to prepay the Special Tax Obligation is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 10, and 11, less the amounts computed pursuant to paragraphs 12 and 13 (the "Prepayment Amount").
15. From the Prepayment Amount, the sum of the amounts computed pursuant to paragraphs 4, 5, and 10, less the amounts computed pursuant to paragraphs 12 and 13 shall be deposited into the appropriate fund as established under the Fiscal Agent Agreement and be used to retire Outstanding Bonds or make Debt Service payments. The amount computed pursuant

to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 11 shall be retained by CFD No. 16-I.

The Prepayment Amount may be sufficient to redeem an amount other than a \$5,000 increment of Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Fiscal Agent Agreement to redeem Bonds to be used with the next prepayment of Bonds.

The CFD Administrator will confirm that all previously levied Special Taxes have been paid in full. With respect to any Assessor's Parcel for which the Special Tax Obligation is prepaid in full, once the CFD Administrator has confirmed that all previously levied Special Taxes have been paid, the City Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax Obligation and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of the owner of such Assessor's Parcel to pay the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the aggregate amount of Maximum Special Taxes less the Administrative Expense Requirement that may be levied on Taxable Property, respectively, after the proposed prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

B. Partial Prepayment

The Special Tax on an Assessor's Parcel of Developed Property or Undeveloped Property for which a Building Permit has been issued may be partially prepaid. The amount of the prepayment shall be calculated as in Section 8.A.; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (PE-A) \times F + A$$

These terms have the following meaning:

- PP = the partial prepayment
- PE = the Prepayment Amount calculated according to Section 8.A
- F = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax Obligation
- A = the Prepayment Administrative Fees and Expenses from Section 8.A

The owner of any Assessor's Parcel who desires such partial prepayment shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Special Tax Obligation, (ii) the percentage by which the Special Tax Obligation shall be prepaid, and (iii) the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax Obligation for an Assessor's Parcel within sixty (60) days of the request and may charge a reasonable fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the City shall (i) distribute the funds remitted to it according to Section 8.A., and (ii) indicate in the records of CFD No. 16-I for IA2 that there has been a partial prepayment of the Special Tax Obligation 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 Maximum Special Tax, shall continue to be levied on such Assessor's Parcel.

Resolution No. 2020-001

Page No. 18

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the aggregate amount of Maximum Special Taxes less the Administrative Expense Requirement that may be levied on Taxable Property, respectively, after the proposed partial prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

9. TERM OF SPECIAL TAX

The Special Tax shall be levied as long as necessary to meet the Special Tax Requirement, but in any event not after Fiscal Year 2059-60.

EXHIBIT A

SHEET 1 OF 1 SHEET

**PROPOSED AMENDED BOUNDARY MAP OF
COMMUNITY FACILITIES DISTRICT NO. 16-I
(MILLENIA)
CITY OF CHULA VISTA,
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA**

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 16-I (MILLENIA), CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF CHULA VISTA AT A REGULAR MEETING THEREOF HELD ON ____ DAY OF ____ 20 ____ BY RESOLUTION NO. ____

CITY CLERK
CITY OF CHULA VISTA

FILED IN THE OFFICE OF THE CITY CLERK, CITY OF CHULA VISTA,
THIS ____ DAY OF ____ 20 ____

CITY CLERK
CITY OF CHULA VISTA

RECORDED THIS ____ DAY OF ____ 20 ____ AT
THE HOUR OF ____ O'CLOCK ____ M IN BOOK
PAGE ____ OF MAPS OF ASSESSMENT AND COMMUNITY
FACILITIES DISTRICTS IN THE OFFICE OF THE COUNTY
RECORDER, IN THE COUNTY OF SAN DIEGO, STATE OF
CALIFORNIA.

FEE: _____ NO. _____
ERNEST J. DRONENBURG, JR., ASSESSOR, RECORDER,
COUNTY CLERK

BY: _____
DEPUTY



THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT FOR DETAILS OF THE BOUNDARIES OF THE LINES AND DIMENSIONS OF PARCELS REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2019-20.

THIS BOUNDARY MAP AMENDS SHEET 2 OF 2 OF PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 16-I (MILLENIA) CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA FILED ON AUGUST 11, 2016 IN BOOK 46 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 3 AS DOCUMENT NO. 2016-7000326.

REFERENCE IS HEREBY MADE TO THE CITY OF CHULA VISTA TRACT MAP NO. 09-03 RECORDED IN THE OFFICIAL RECORDS OF THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AS DOCUMENT NO. 2019-7000481 FOR A DESCRIPTION OF THE LINES AND DIMENSIONS OF THESE PARCELS.

LEGEND

- IMPROVEMENT AREA BOUNDARY
- PARCEL LINE
- ▨ ZONE A
- ▧ ZONE B
- 1 MAP REFERENCE NUMBER
- XXX-XXX-XXX ASSESSOR PARCEL NUMBER



MAP REFERENCE NO.	ASSESSOR PARCEL NO.	LOT NO./FINAL MAP
1	643-060-89	LOT 19 OF FINAL MAP NO. 16081
2	643-065-07 (PORTION)	LOT 1 OF FINAL MAP NO. 16380
3	643-065-08 (PORTION)	LOT 4 OF FINAL MAP NO. 16380
4	643-060-62	LOT 12 OF FINAL MAP NO. 16081
5	643-060-63	LOT 13 OF FINAL MAP NO. 16081



Resolution No. 2020-001

Page No. 20

EXHIBIT B

CITY OF CHULA VISTA AND CFD NO. 16-I CERTIFICATE

1. Pursuant to Section 3F of the Amended and Restated Rate and Method of Apportionment of Special Tax (the "RMA"), the City of Chula Vista (the "City") and Community Facilities District No. 16-I of the City of Chula Vista ("CFD No. 16-I") hereby agree to a reduction in the Special Tax for Developed Property, Undeveloped Property, and/or Provisional Property:

(a) The information in the RMA relating to the Special Tax for Developed Property, Undeveloped Property, and Provisional Property shall be modified as follows:

[insert Table 1 and/or 2 showing revised Assigned Special Tax rates for Developed Property, insert revised Backup Special Tax rates for Developed Property by Zone, and insert change to Maximum Special Tax rates for Undeveloped Property and Provisional Property by Zone]

(b) The CFD Public Facilities Costs in Section 8 shall be changed to \$_____.

2. Special Tax rates for Taxable Property may only be modified prior to the issuance of Bonds.

3. Upon execution of the Certificate by the City and CFD No. 16-I the City shall cause an amended Notice of Special Tax Lien for IA2 to be recorded reflecting the modifications set forth herein.

By execution hereof, the undersigned acknowledges, on behalf of the City of Chula Vista and CFD No. 16-I, receipt of this Certificate and modification of the RMA as set forth in this Certificate.

CITY OF CHULA VISTA

By: _____
CFD Administrator

Date: _____

COMMUNITY FACILITIES DISTRICT NO. 16-I
OF THE CITY OF CHULA VISTA

By: _____

Date: _____



SPICER CONSULTING
G R O U P