



City of Calexico Community Facilities District No. 2013-1 (Gran Plaza)

Annual Levy Report Fiscal Year 2023/24

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SECTION I. INTRODUCTION

This Annual Special Tax Report (“Report”) summarizes certain general, financial and administrative information related to Community Facilities District No. 2013-1 (Gran Plaza) (“CFD No. 2013-1”) of the City of Calexico (“City”) and their Special Tax Bonds, Issue of 2014 (“Bonds”), which were issued on February 4, 2014, in the original principal amount of \$7,000,000. The Report outlines the following for CFD No. 2013-1 IA-1: (I) Special Tax Levy for Fiscal Year 2023/24, (II) Summary of Delinquent Special Taxes, (III) Fund Balances and Descriptions, (IV) Background of CFD No. 2013-1, and (V) Development Summary. The Report also includes Attachments that are referenced by and/or supplement the information outlined herein. All capitalized terms not defined herein are used as defined in the Rates and Methods of Apportionment of Improvement Area No. 1 (“IA-1”) and Improvement Area No. 2 (“IA-2”) (each an “RMA” or collectively the “RMAs”) (see Attachment 1 for a full copy of the RMA for IA-1 and Attachment 2 for a full copy of the RMA for IA-2).

SECTION II. SPECIAL TAX LEVY FOR FY 2023/24

Section I of the Report contains information for the determination of the Fiscal Year (“FY”) 2023/24 Special Tax levy for IA-1 and IA-2 of CFD No. 2013-1.

A. Annual Special Tax Requirement

The Annual Special Tax Requirement for IA-1 represents the interest and principal payments due on the Bonds in Calendar Year 2024, Administrative Expenses and anticipated delinquencies for FY 2023/24. The Annual Special Tax Requirement for FY 2023/24 is \$317,281.76 for IA-1, which is calculated in accordance with the Covenant Agreement and the RMA. There was no levy requirement within IA-2 for FY 2023/24.

The table below shows the calculation used to determine the FY 2023/24 Annual Special Tax Requirements for IA-1. FY 2022/23 amounts are shown for comparison.

	FY 2023/24 DOLLARS	FY 2022/23 DOLLARS
ANNUAL SALES TAX COVENANT CONSIDERATION CALCULATION		
Total Annual Sales Tax Revenue for Operating Year ¹	\$525,402.00	\$442,052.00
Less: First City Retention	(300,000.00)	(300,000.00)
<i>Remainder for Debt Service Fund</i>	<i>\$225,402.00</i>	<i>\$142,052.00</i>
SPECIAL TAX COMPONENTS		
Funds Needed for Debt Service Payments	510,793.76	520,468.75
Administrative Expenses	28,717.00	28,154.00
Anticipated Delinquencies	3,173.00	7,277.00
Less: City Pooled Funds Contribution ²	0.00	(50,000.00)
<i>Subtotal</i>	<i>\$542,683.76</i>	<i>\$505,899.75</i>
Less: Remainder for Debt Service (from Covenant Consideration Calculation above)	(225,402.00)	(142,052.00)
SPECIAL TAX REQUIREMENT	\$317,281.76	\$363,847.75

¹ As reported by HdL Companies on April 5, 2023, for the time period of January 1, 2022 through December 31, 2022.

² Available funds were used by the City on behalf of CFD No. 2013-1 to make a portion of the debt service payment due in FY 2022/23.

B. Estimated Administrative Expenses

Each year a portion of the Special Tax levy goes to pay the ongoing costs of administration. The FY 2023/24 Administrative Expenses for IA-1 are shown below followed by a description of each line item. FY 2022/23 amounts are shown for comparison.

ADMINISTRATIVE EXPENSES	FY 2023/24 DOLLARS	FY 2022/23 DOLLARS
City Staff and Expenses	\$18,919.30	\$16,500.90
Consultant Fees and Expenses	9,245.00	11,200.00 ¹
County Tax Collection Fees	52.70	53.10
Other Fees and Expenses	500.00	400.00
TOTAL EXPENSES	\$28,717.00	\$28,154.00

¹ Includes fee for arbitrage calculation.

City Staff and Expenses – Includes staff time spent on the administration of CFD No. 2013-1 IA-1, its accounts and obligations as well as expenses related to CFD No. 2013-1 IA-1 including postage, supplies, copying, telephone, and technology costs.

Consultant Fees and Expenses – Includes the City’s estimated costs to hire consultants related to the administration of CFD No. 2013-1 IA-1. Consultants used include attorneys, fiscal agent and the special tax administrator. These consultants monitor the special taxes collected by CFD No. 2013-1 IA-1, provide for the timely payment of debt service, and compliance with State and Federal laws and reporting requirements.

County Tax Collection Fee – Refers to the processing fee charge by the County of Imperial (“County”) for placing the Special Taxes on the County Property Tax roll. The County currently charges a Basic Annual Charge of \$65.00 (which has been prorated between each of the City’s CFDs), plus \$20.00 for each fund maintained, plus \$0.10 per each billed parcel.

Other Fees and Expenses – This item has been added to protect CFD No. 2013-1 IA-1 from unanticipated unbudgeted costs.

C. Distribution of Special Tax

Special Taxes that CFD No. 2013-1 IA-1 may levy are limited by the RMA. The Number of Acres, the FY 2023/24 Annual Special Tax rate (Maximum and Applied) and aggregate levy amount for each Special Tax classification for IA-1 are listed in the following table. (Please see Attachment 3 for a copy of the FY 2023/24 Preliminary Special Tax Roll.)

LAND USE CLASS	NUMBER OF ACRES	FY 2023/24 MAXIMUM SPECIAL TAX	FY 2023/24 APPLIED ANNUAL SPECIAL TAX	PERCENT OF MAXIMUM	FY 2023/24 LEVY AMOUNT
Developed	17.01	\$20,000.00	\$18,652.66	93.26%	\$317,281.75
Undeveloped	35.34	20,000.00	0.00	0.83	0.00
TOTAL¹	52.35	N/A	N/A	N/A	\$317,281.75

¹ Any difference between the special tax requirement detail in Section I-A above and the actual levy amount is due to rounding.

SECTION III. SUMMARY OF DELINQUENT SPECIAL TAXES

Delinquent Special Taxes as of May 14, 2023 for the five (5) most recent fiscal years are summarized in the table below (there are no delinquencies in any of the prior fiscal years):

FISCAL YEAR	NO. OF PARCELS LEVIED	NO. OF PARCELS DELINQUENT	TOTAL ANNUAL LEVY	ANNUAL DELINQUENT AMOUNT¹	PERCENT OF ANNUAL DELINQUENT
2018/19	1	0	\$283,627.06	\$0.00	0.00%
2019/20	1	0	\$248,977.74	\$0.00	0.00%
2020/21	1	0	\$179,983.14	\$0.00	0.00%
2021/22	6	0	\$721,955.90	\$0.00	0.00%
2022/23	6	0	\$363,847.16	\$0.00	0.00%

¹ Data was obtained from the Imperial County Auditor-Controller's Office.

The City has covenanted to the bondholders of the Bonds that the City will commence and diligently pursue judicial foreclosure proceedings against (i) individual parcels with delinquent Special Taxes in excess of \$10,000 by October 1 following the close of the Fiscal Year, and (ii) all parcels with delinquent Special Taxes if the amount collected by October 1 in prior Fiscal Year Special Taxes is less than ninety-five percent (95%) of the total amount levied in the prior Fiscal Year.

Collections received from Fiscal Year 2022/23 Special Taxes exceed 95%. In addition, no property owner has been delinquent in excess of \$10,000 of their payment of Special Taxes. Accordingly, no actions are required by the City at this time.

SECTION IV. FUND BALANCES & DESCRIPTIONS

The balances as of April 30, 2023 of the funds, accounts and subaccounts established pursuant to the Fiscal Agent Agreement (“FAA”) executed in association with the Bonds are shown in the table below. The funds are currently being held by The Bank of New York Mellon Trust Company, N.A., acting as fiscal agent (“Fiscal Agent”).

FUND, ACCOUNT, SUBACCOUNT	ACCOUNT NUMBER	BALANCE
Special Tax Fund	694379	\$225,459.32
Interest Account	694380	\$1,589.12
Principal Account	694381	\$0.00
Reserve Account	694382	\$535,079.62
Administrative Expenses Account	694383	\$0.00
Redemption Account	694384	\$916.71
Surplus Fund	694385	\$472.13
Rebate Fund	694386	\$0.00
Alternative Penalty Account	694387	\$0.00
Project Account	694388	\$32.53

The following provides a description of the major funds, accounts and sub-accounts:

Special Tax Fund

The Fiscal Agent deposits monies collected from the payment of Special Tax Revenues (or any proceeds from the sale of property collected pursuant to the foreclosure provisions of the FAA) and Special Tax Prepayments into this fund to be held in trust and transferred on the dates, in the amounts and in the priority as set forth in the FAA.

Interest and Principal Accounts

On or before each Interest Payment Date, the Fiscal Agent shall deposit enough money, together with any amounts already on deposit, to pay the required principal of, interest, and any premium on the Bonds.

Administrative Expense Account

The Fiscal Agent holds this account for payment of Administrative Expenses as defined in the FAA. Interest earnings from investments of this account are retained in this account.

Reserve Account

Moneys in the Reserve Account are held in trust for the payment of the principal, interest and any premium on the Bonds. Amounts exceeding the Reserve Requirement shall be transferred to the Interest Account and Principal Account at the request of the

City in accordance with the FAA. The Reserve Requirement, as of any date of calculation, is equal to the lesser of (1) 10% of the initial principal amount of the Bonds and any parity bonds; (2) the Maximum Annual Debt Service on the Bonds and any parity bonds; or (3) 125% of the average Annual Debt Service on the Bonds and any parity bonds. The Reserve Requirement as of April 30, 2023 was \$513,275.00.

Acquisition and Construction Fund

Project Account

Moneys in the Acquisition and Construction Fund shall be disbursed for the payment or reimbursement of the costs of the design, acquisition and construction of authorized facilities. More specifically, the funds deposited in the Acquisition and Construction Fund established in connection with the Bonds will be used to finance public infrastructure, street improvements, traffic signals, sewer and water facility fees and infrastructure, dry utilities, public park, recreation, or open space facilities, landscaping of public streets, right-of-ways, storm drain facilities, slopes mitigation monitoring and appurtenant facilities, and City of Calexico infrastructure.

SECTION V. BACKGROUND OF CFD No. 2013-1

A. Summary Table of Information

The following table shows information related to the formation of CFD No. 2013-1 and the outstanding bond issue for CFD No. 2013-1:

CFD FORMATION	
Date of Resolution of Intention to Establish	July 2, 2013
Resolution of Intention Number	2013-31 & 2013-32
Date of Resolution of Formation	August 20, 2013
Resolution of Formation Number	2013-40 & 2013-41
County Fund Number(s)	IA-1: 92115 IA-2: 92120
2014 BOND ISSUE OF CFD No. 2013-1 IA-1 ¹	
Bond Issuance Amount	\$7,000,000
Interest Rate Range	3.00% - 6.00%
Final Maturity	September 1, 2043
Foreclosure Covenants	<95% aggregate Special Tax levy or > \$10,000 per owner
Bonds Subject to Arbitrage	Yes
Bond Rating	Not rated

¹ As of the date of this Report, no bonds have been issued within IA-2 of CFD No. 2013-1.

B. CFD No. 2013-1 Background

On July 2, 2013, the City Council of the City of Calexico adopted a resolution of intention to form a community facilities district under the Act, to levy a special tax and to incur bonded indebtedness for the purpose of financing public improvements to meet the needs of new development. After conducting a noticed public hearing, the City Council adopted resolutions establishing CFD No. 2013-1, providing for a special tax, approving the proposed rate and method of appointment of the special tax and approving the issuance of bonded indebtedness to finance the authorized facilities, and calling a special election to submit to the qualified electors within CFD No. 2013-1 the propositions to levy the special tax and the issuance of bonds.

On August 20, 2013, an election was held within CFD No. 2013-1 IA-1 in which the landowner(s) eligible to vote approved the levy of special tax and the issuance of bonds in an amount not to exceed \$20,000,000.

CFD No. 2013-1 IA-1 consists of approximately 52.35 taxable acres comprised of an outlet shopping center known as Gran Plaza Outlets. At build out, it is anticipated that Gran Plaza Outlets will contain approximately 561,650 square feet of outlet shopping center space mixed with conventional large-scale retail uses, as well as other parcels representing exempt properties such as a retention basin and parking lots.

C. Boundaries

CFD No. 2013-1 is located between West 2nd Street and the United States/Mexican border. A reduced map of the boundaries of CFD No. 2013-1 titled “Map of Proposed Boundaries of Community Facilities District No. 2013-1 (Gran Plaza)” is incorporated herein as Attachment 4.

A full-scale map is on file with the Clerk of the City of Calexico and was recorded with the County Recorder in the County of Imperial in Book 2 of Maps of Assessment and Community Facilities Districts, Page 56, Document No. 2013018042.

D. The Bonds

Authority of Issuance

Bonds are authorized to be issued by the City under the Act, as amended, and other applicable laws of the State of California.

Purpose of the Bonds

Bonds were issued on February 4, 2014 in the amount of \$7,000,000, the proceeds of which were used primarily to finance certain public facilities relating to an outlet shopping center within CFD No. 2013-1 IA-1. A current debt service schedule for the Bonds is incorporated herein as Attachment 5.

Foreclosure Covenants

The City has covenanted to the bondholders of the Bonds that the City will commence and diligently pursue judicial foreclosure proceedings against (i) individual parcels with delinquent Special Taxes in excess of \$10,000 by October 1 following the close of the Fiscal Year, and (ii) all parcels with delinquent Special Taxes if the amount collected by October 1 in prior Fiscal Year Special Taxes is less than ninety-five percent (95%) of the total amount levied in the prior Fiscal Year.

Koppel & Gruber Public Finance (“K&G Public Finance”) will examine the records of the County by October 1 of each Fiscal Year to determine the amount of delinquencies and will assist in pursuing each delinquency.

Arbitrage Covenants

The City has covenanted that it will determine whether any portion of investment from any account established by the FAA must be rebated to the Federal Government. The next installment calculation is scheduled for 2025.

SECTION VI. DEVELOPMENT SUMMARY

CFD No. 2013-1 IA-1 consists of 52.35 taxable acres and is anticipated to consist of an outlet shopping center known as Gran Plaza Outlets. As of May 1, 2023, building permits have been issued for two (2) parcels of developed property consisting of approximately 17.01 acres.

CFD No. 2013-1 IA-2 consists of 88.18 taxable acres. As of May 1, 2023, no development has occurred within IA-2.

See Attachment 6 for a copy of the current Development Map.

ATTACHMENT 1
RATE AND METHOD OF APPORTIONMENT
FOR CFD No. 2013-1 (GRAN PLAZA)
IMPROVEMENT AREA No. 1

**RATE AND METHOD OF APPORTIONMENT FOR
IMPROVEMENT AREA NO. 1 OF
CITY OF CALEXICO
COMMUNITY FACILITIES DISTRICT NO. 2013-1
(GRAN PLAZA)**

The following sets forth the Rate and Method of Apportionment for the levy and collection of Special Taxes in Improvement Area No. 1 ("Improvement Area No. 1") of the City of Calexico Community Facilities District No. 2013-1 (Gran Plaza) ("CFD No. 2013-1"). The Special Tax shall be levied on and collected in Improvement Area No. 1 of CFD No. 2013-1 each Fiscal Year, in an amount determined through the application of the Rate and Method of Apportionment described below. All of the real property within Improvement Area No. 1 of CFD No. 2013-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

**SECTION A
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, parcel map, condominium plan, or other recorded County parcel map. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

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

"Administrative Expenses" means any ordinary and necessary expense incurred by the City on behalf of Improvement Area No. 1 of CFD No. 2013-1 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes including the expenses of collecting delinquencies, the administration of Bonds, the payment of the allocable portion of salaries and benefits of any City employee whose duties are directly related to the administration of Improvement Area No. 1 of CFD No. 2013-1, and costs otherwise incurred in order to carry out the authorized purposes of Improvement Area No. 1 of CFD No. 2013-1.

"Assessor's Parcel" means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of Improvement Area No. 1 of CFD No. 2013-1.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means that number assigned to an Assessor's Parcel by the County for purposes of identification.

"Bonds" means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which Special Taxes within Improvement Area No. 1 of CFD No. 2013-1 have been pledged.

"Building Permit" means a permit for new construction. For purposes of this definition, "Building Permit" shall not include permits for construction or installation of, retaining walls, utility improvements, or other such improvements not intended for human habitation.

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

"CFD No. 2013-1" means the City of Calexico Community Facilities District No. 2013-1 (Gran Plaza) established by the City under the Act.

"City" means the City of Calexico.

"City Council" means the City Council of City of Calexico, acting as the legislative body of Improvement Area No. 1 of CFD No. 2013-1, or its designee.

"Consumer Price Index (CPI)" means the annual percentage change for the Los Angeles, measured as of the calendar year which ends in the previous Fiscal Year.

"County" means the County of Imperial.

"Developed Property" means all Assessor's Parcels for which Building Permits were issued on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels were included in a Final Map that was recorded on or before January 1 of the prior Fiscal Year and that each such Assessor's Parcel is associated with a Lot, as reasonably determined by the City.

"Exempt Property" means all Assessor's Parcels designated as being exempt from Special Taxes in Section H.

"Final Map" means a subdivision of property evidenced by the 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 the recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual lots for which Building Permits may be issued without further subdivision.

"Fiscal Year" means the period commencing on July 1 of any year and ending the following June 30.

"Indenture" means the indenture, fiscal agent agreement, 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.

"Improvement Area No. 1" means the area designated as Improvement Area No. 1 on the approved boundary map for CFD No. 2013-1.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C that can be levied by CFD No. 2013-1 within Improvement Area No. 1 in any Fiscal Year on any Assessor's Parcel.

"Minimum Taxable Acreage" means the smallest allowable amount of taxable acreage. For Improvement Area No. 1 of CFD No. 2013-1 the minimum taxable acreage shall not be less than 51.8 acres.

"Partial Prepayment Amount" means the amount required to prepay a portion of the Special Tax obligation for an Assessor's Parcel, as described in Section F.

"Prepayment Amount" means the amount required to prepay the Special Tax obligation in full for an Assessor's Parcel, as described in Section E.

"Proportionately" means the ratio of the actual Special Tax levy to the applicable Maximum Special Tax is equal for all applicable Assessor's Parcels.

"Special Tax" means any of the special taxes authorized to be levied within Improvement Area No. 1 of CFD No. 2013-1 pursuant to the Act to fund the Special Tax Requirement.

"Special Tax Requirement" means for Improvement Area No. 1 of CFD No. 2013-1 that amount required in any Fiscal Year to pay: (i) the debt service or the periodic costs on all outstanding Bonds due in the Calendar Year that commences in such Fiscal Year, (ii) Administrative Expenses, (iii) the costs associated with the release of funds from an escrow account, and (iv) any amount required to establish or replenish any reserve funds established in association with the Bonds, (v) an amount equal to any anticipated shortfall due to Special Tax delinquencies in the prior or current Fiscal Year, and (vi) the collection or accumulation of funds for the acquisition or construction of facilities authorized by Improvement Area No. 1 of CFD No. 2013-1, less (vii) any amount available to pay debt service or other periodic costs on the Bonds pursuant to Indenture.

"Taxable Property" means all Assessor's Parcels within Improvement Area No. 1 of CFD No. 2013-1, which are not Exempt Property.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property which are not Developed Property.

**SECTION B
CLASSIFICATION OF ASSESSOR'S PARCELS**

Each Fiscal Year, beginning with Fiscal Year 2013-14, each Assessor's Parcel within Improvement Area No. 1 of CFD No. 2013-1 shall be classified as Taxable Property or Exempt Property. In addition, each Fiscal Year, each Assessor's Parcel of Taxable Property shall be further classified as Developed Property or Undeveloped Property.

**SECTION C
MAXIMUM SPECIAL TAXES**

Each Fiscal Year, commencing Fiscal Year 2013-14, each Assessor's Parcel of Developed Property or Undeveloped Property shall be subject to a Maximum Special Tax. The Maximum Special Tax applicable to an Assessor's Parcel of Developed Property or Undeveloped Property for Fiscal Year 2013-14 shall be determined pursuant to Table 1 below.

**TABLE 1
MAXIMUM SPECIAL TAX
Improvement Area No. 1 of CFD No. 2013-1**

Land Use Type	Maximum Special Tax
Developed Property	\$20,000 per Acre
Undeveloped Property	\$20,000 per Acre

**SECTION D
METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

Commencing Fiscal Year 2013-14 and for each subsequent Fiscal Year, the City Council shall levy a Special Tax on all Taxable Property within Improvement Area No. 1 of CFD No. 2013-1 until the amount of Special Tax equals the Special Tax Requirement in accordance with the following steps:

- Step One: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property with a Building Permit at up to 100% of the applicable Maximum Special Tax rates in Table 1 as needed to satisfy the Special Tax Requirement.

- Step Two: If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property without a Building Permit at up to 100% of the applicable Maximum Special Tax rates in Table 1 as needed to satisfy the Special Tax Requirement.

- Step Three: If additional moneys are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property, excluding

any Undeveloped Property pursuant to Section H., at up to 100% of the Maximum Special Tax rates in Table 1 applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Step Four: If additional moneys are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property classified as Undeveloped Property pursuant to Section H. at up to 100% of the Maximum Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

SECTION E PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section E:

“CFD Public Facilities” for Improvement Area No. 1 of CFD No. 2013-1 means \$8,515,000 expressed in 2013 dollars, which shall increase by the Consumer Price Index (CPI) on December 31, 2013, and on each December 31 thereafter, or such lower number as (i) shall be determined by the City as sufficient to provide the public facilities under the authorized bonding program for Improvement Area No. 1 of CFD No. 2013-1, or (ii) shall be determined by the City Council concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment.

“Future Facilities Costs” means the CFD Public Facilities minus public facility costs available to be funded through existing construction or escrow accounts or funded by the Outstanding Bonds, and minus public facility costs funded by interest earnings on the Construction Fund actually earned prior to the date of prepayment.

“Outstanding Bonds” means all previously issued Bonds issued and secured by the levy of Special Tax which will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding Bonds to be redeemed at a later date with the proceeds of prior prepayments of Maximum Special Taxes.

The Special Tax obligation of an Assessor's Parcel of Developed Property, an Assessor's Parcel of Undeveloped Property for which a Building Permit has been issued or an Assessor's Parcel of Undeveloped Property that is classified as Undeveloped Property pursuant to Section H may be prepaid in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax obligation would be prepaid. The Prepayment Amount for an Assessor's Parcel eligible for prepayment shall be determined as described below.

An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay, and within 5 days of receipt of such notice, the City shall notify such owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by Improvement Area No. 1 of CFD No. 2013-1 in calculating the proper amount of

a prepayment. Within 15 days of receipt of such non-refundable deposit, the City shall notify such owner of the prepayment amount of such Assessor's Parcel.

The Prepayment Amount for each applicable Assessor's Parcel shall be calculated according to the following formula (capitalized terms defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance
plus	Administrative Fee
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For Assessor's Parcels of Developed Property, Undeveloped Property, or Undeveloped Property pursuant to Section H., compute the Maximum Special Tax.
2. For each Assessor's Parcel of Developed Property, Undeveloped Property, or Undeveloped Property pursuant to Section H. to be prepaid, divide the Maximum Special Tax computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Maximum Special Tax applicable to all Assessor's Parcels of Taxable Property at build out, as reasonably determined by the City.
3. Multiply the quotient computed pursuant to paragraph 2 by Outstanding Bonds. The product shall be the "Bond Redemption Amount".
4. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."
5. If all the Bonds to be issued by CFD No. 2013-1 for Improvement Area No. 1 have not been issued, compute the Future Facilities Cost.
6. Multiply the quotient computed pursuant to paragraph 2 by the amount determined pursuant to step #5 above to determine the Future Facilities Cost to be prepaid (the "Future Facilities Amount").
7. Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.
8. Estimate the amount of interest earnings to be derived from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the earliest redemption date for the Outstanding Bonds.

9. Subtract the amount computed pursuant to paragraph 8 from the amount computed pursuant to step #7 above. This difference is the "Defeasance."
10. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the "Administrative Fee."
11. Calculate the "Reserve Fund Credit" as the lesser of: (a) the expected reduction in the applicable reserve requirements, if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement(s) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the applicable reserve funds on the prepayment date. Notwithstanding the foregoing, if the reserve fund requirement is satisfied by a surety bond or other instrument at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than 0.
12. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Future Facilities Amount, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

With respect to a Special Tax obligation that is prepaid pursuant to this Section E, the City Council shall indicate in the records of Improvement Area No. 1 of CFD No. 2013-1 that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such prepayment 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 such Assessor's Parcel to pay such Special Taxes shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Special Tax that may be levied on Taxable Property, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently Outstanding Bonds in each future Fiscal Year.

SECTION F PARTIAL PREPAYMENT OF SPECIAL TAX

The Special Tax obligation of an Assessor's Parcel of Developed Property or Undeveloped Property, as calculated in this Section F. below, may be partially prepaid, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax obligation would be prepaid.

The Partial Prepayment Amount shall be calculated according to the following formula:

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

The terms above have the following meanings:

- PP = the Partial Prepayment Amount.
- P_e = the Prepayment Amount calculated according to Section E.
- F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax obligation.
- A = the Administrative Fee calculated according to Section E.

With respect to any Assessor's Parcel that is partially prepaid, the City Council shall indicate in the records of Improvement Area No. 1 of CFD No. 2013-1 that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such partial prepayment of the Special Tax obligation, to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Special Tax shall cease.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Taxes that may be levied on Taxable Property after such partial prepayment, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently Outstanding Bonds in each future Fiscal Year.

SECTION G TERMINATION OF SPECIAL TAX

For each Fiscal Year that any Bonds are outstanding the Special Tax shall be levied on all Assessor's Parcels subject to the Special Tax. If any delinquent Special Tax remain uncollected prior to or after all Bonds are retired, the Special Tax may be levied to the extent necessary to reimburse Improvement Area No. 1 of CFD No. 2013-1 for uncollected Special Taxes associated with the levy of such Special Tax, but not later than the 2053-2054 Fiscal Year.

SECTION H EXEMPTIONS

The City shall classify as Exempt Property (i) Assessor's Parcels owned by the State of California, Federal or other local governments, (ii) 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, (iii) Assessor's Parcels used exclusively by a homeowners' association, or (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 to less than the Minimum Taxable Acreage. Notwithstanding the above, the City Council shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property to less than the Minimum Taxable Acreage Acres. Assessor's Parcels which cannot be classified as Exempt Property because such

classification would reduce the Acreage of all Taxable Property to less than the Minimum Taxable Acreage will continue to be classified as Undeveloped Property, and will continue to be subject to Special Taxes accordingly.

SECTION I APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the City Council not later than twelve months after having paid the first installment of the Special Tax that is disputed. A representative(s) of Improvement Area No. 1 of CFD No. 2013-1 shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

The City Council may interpret this Rate and Method of Apportionment of Special Taxes for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner or resident appeals. Any decision of the City Council shall be binding as to all persons.

SECTION J MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that Improvement Area No. 1 of CFD No. 2013-1 may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations.

ATTACHMENT 2
RATE AND METHOD OF APPORTIONMENT
FOR CFD No. 2013-1 (GRAN PLAZA)
IMPROVEMENT AREA No. 2

**RATE AND METHOD OF APPORTIONMENT FOR
IMPROVEMENT AREA NO. 2 OF
CITY OF CALEXICO
COMMUNITY FACILITIES DISTRICT NO. 2013-1
(GRAN PLAZA)**

The following sets forth the Rate and Method of Apportionment for the levy and collection of Special Taxes in Improvement Area No. 2 ("Improvement Area No. 2") of the City of Calexico Community Facilities District No. 2013-1 (Gran Plaza) ("CFD No. 2013-1"). The Special Tax shall be levied on and collected in Improvement Area No. 2 of CFD No. 2013-1 each Fiscal Year, in an amount determined through the application of the Rate and Method of Apportionment described below. All of the real property within Improvement Area No. 2 of CFD No. 2013-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

**SECTION A
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, parcel map, condominium plan, or other recorded County parcel map. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

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

"Administrative Expenses" means any ordinary and necessary expense incurred by the City on behalf of Improvement Area No. 2 of CFD No. 2013-1 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes including the expenses of collecting delinquencies, the administration of Bonds, the payment of the allocable portion of salaries and benefits of any City employee whose duties are directly related to the administration of Improvement Area No. 2 of CFD No. 2013-1, and costs otherwise incurred in order to carry out the authorized purposes of Improvement Area No. 2 of CFD No. 2013-1.

"Assessor's Parcel" means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of Improvement Area No. 2 of CFD No. 2013-1.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means that number assigned to an Assessor's Parcel by the County for purposes of identification.

"Bonds" means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which Special Taxes within Improvement Area No. 2 of CFD No. 2013-1 have been pledged.

"Building Permit" means a permit for new construction. For purposes of this definition, "Building Permit" shall not include permits for construction or installation of, retaining walls, utility improvements, or other such improvements not intended for human habitation.

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

"CFD No. 2013-1" means the City of Calexico Community Facilities District No. 2013-1 (Gran Plaza) established by the City under the Act.

"City" means the City of Calexico.

"City Council" means the City Council of City of Calexico, acting as the legislative body of Improvement Area No. 2 of CFD No. 2013-1, or its designee.

"Consumer Price Index (CPI)" means the annual percentage change for the Los Angeles, measured as of the calendar year which ends in the previous Fiscal Year.

"County" means the County of Imperial.

"Developed Property" means all Assessor's Parcels for which Building Permits were issued on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels were included in a Final Map that was recorded on or before January 1 of the prior Fiscal Year and that each such Assessor's Parcel is associated with a Lot, as reasonably determined by the City.

"Exempt Property" means all Assessor's Parcels designated as being exempt from Special Taxes in Section H.

"Final Map" means a subdivision of property evidenced by the 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 the recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual lots for which Building Permits may be issued without further subdivision.

"Fiscal Year" means the period commencing on July 1 of any year and ending the following June 30.

"Indenture" means the indenture, fiscal agent agreement, 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.

"Improvement Area No. 2" means the area designated as Improvement Area No. 2 on the approved boundary map for CFD No. 2013-1.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C that can be levied by CFD No. 2013-1 within Improvement Area No. 2 in any Fiscal Year on any Assessor's Parcel.

"Minimum Taxable Acreage" means the smallest allowable amount of taxable acreage. For Improvement Area No. 2 of CFD No. 2013-1 the minimum taxable acreage shall not be less than 88.18 acres.

"Partial Prepayment Amount" means the amount required to prepay a portion of the Special Tax obligation for an Assessor's Parcel, as described in Section F.

"Prepayment Amount" means the amount required to prepay the Special Tax obligation in full for an Assessor's Parcel, as described in Section E.

"Proportionately" means the ratio of the actual Special Tax levy to the applicable Maximum Special Tax is equal for all applicable Assessor's Parcels.

"Special Tax" means any of the special taxes authorized to be levied within Improvement Area No. 2 of CFD No. 2013-1 pursuant to the Act to fund the Special Tax Requirement.

"Special Tax Requirement" means for Improvement Area No. 2 of CFD No. 2013-1 that amount required in any Fiscal Year to pay: (i) the debt service or the periodic costs on all outstanding Bonds due in the Calendar Year that commences in such Fiscal Year, (ii) Administrative Expenses, (iii) the costs associated with the release of funds from an escrow account, and (iv) any amount required to establish or replenish any reserve funds established in association with the Bonds, (v) an amount equal to any anticipated shortfall due to Special Tax delinquencies in the prior or current Fiscal Year, and (vi) the collection or accumulation of funds for the acquisition or construction of facilities authorized by Improvement Area No. 2 of CFD No. 2013-1, less (vii) any amount available to pay debt service or other periodic costs on the Bonds pursuant to Indenture.

"Taxable Property" means all Assessor's Parcels within Improvement Area No. 2 of CFD No. 2013-1, which are not Exempt Property.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property which are not Developed Property.

**SECTION B
CLASSIFICATION OF ASSESSOR'S PARCELS**

Each Fiscal Year, beginning with Fiscal Year 2013-14, each Assessor's Parcel within Improvement Area No. 2 of CFD No. 2013-1 shall be classified as Taxable Property or Exempt Property. In addition, each Fiscal Year, each Assessor's Parcel of Taxable Property shall be further classified as Developed Property or Undeveloped Property.

**SECTION C
MAXIMUM SPECIAL TAXES**

Each Fiscal Year, commencing Fiscal Year 2013-14, each Assessor's Parcel of Developed Property or Undeveloped Property shall be subject to a Maximum Special Tax. The Maximum Special Tax applicable to an Assessor's Parcel of Developed Property or Undeveloped Property for Fiscal Year 2013-14 shall be determined pursuant to Table 1 below.

**TABLE 1
MAXIMUM SPECIAL TAX
Improvement Area No. 2 of CFD No. 2013-1**

Land Use Type	Maximum Special Tax
Developed Property	\$20,000 per Acre
Undeveloped Property	\$20,000 per Acre

**SECTION D
METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

Commencing Fiscal Year 2013-14 and for each subsequent Fiscal Year, the City Council shall levy a Special Tax on all Taxable Property within Improvement Area No. 2 of CFD No. 2013-1 until the amount of Special Tax equals the Special Tax Requirement in accordance with the following steps:

- Step One: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property with a Building Permit at up to 100% of the applicable Maximum Special Tax rates in Table 1 as needed to satisfy the Special Tax Requirement.
- Step Two: If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property without a Building Permit at up to 100% of the applicable Maximum Special Tax rates in Table 1 as needed to satisfy the Special Tax Requirement.
- Step Three: If additional moneys are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property, excluding

any Undeveloped Property pursuant to Section H., at up to 100% of the Maximum Special Tax rates in Table 1 applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Step Four: If additional moneys are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property classified as Undeveloped Property pursuant to Section H. at up to 100% of the Maximum Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

SECTION E PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section E:

"CFD Public Facilities" for Improvement Area No. 2 of CFD No. 2013-1 means \$13,000,000 expressed in 2013 dollars, which shall increase by the Consumer Price Index (CPI) on December 31, 2013, and on each December 31 thereafter, or such lower number as (i) shall be determined by the City as sufficient to provide the public facilities under the authorized bonding program for Improvement Area No. 2 of CFD No. 2013-1, or (ii) shall be determined by the City Council concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment.

"Future Facilities Costs" means the CFD Public Facilities minus public facility costs available to be funded through existing construction or escrow accounts or funded by the Outstanding Bonds, and minus public facility costs funded by interest earnings on the Construction Fund actually earned prior to the date of prepayment.

"Outstanding Bonds" means all previously issued Bonds issued and secured by the levy of Special Tax which will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding Bonds to be redeemed at a later date with the proceeds of prior prepayments of Maximum Special Taxes.

The Special Tax obligation of an Assessor's Parcel of Developed Property, an Assessor's Parcel of Undeveloped Property for which a Building Permit has been issued or an Assessor's Parcel of Undeveloped Property that is classified as Undeveloped Property pursuant to Section H may be prepaid in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax obligation would be prepaid. The Prepayment Amount for an Assessor's Parcel eligible for prepayment shall be determined as described below.

An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay, and within 5 days of receipt of such notice, the City shall notify such owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by Improvement Area No. 2 of CFD No. 2013-1 in calculating the proper amount of

a prepayment. Within 15 days of receipt of such non-refundable deposit, the City shall notify such owner of the prepayment amount of such Assessor's Parcel.

The Prepayment Amount for each applicable Assessor's Parcel shall be calculated according to the following formula (capitalized terms defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance
plus	Administrative Fee
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For Assessor's Parcels of Developed Property, Undeveloped Property, or Undeveloped Property pursuant to Section H., compute the Maximum Special Tax.
2. For each Assessor's Parcel of Developed Property, Undeveloped Property, or Undeveloped Property pursuant to Section H. to be prepaid, divide the Maximum Special Tax computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Maximum Special Tax applicable to all Assessor's Parcels of Taxable Property at build out, as reasonably determined by the City.
3. Multiply the quotient computed pursuant to paragraph 2 by Outstanding Bonds. The product shall be the "Bond Redemption Amount".
4. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."
5. If all the Bonds to be issued by CFD No. 2013-1 for Improvement Area No. 2 have not been issued, compute the Future Facilities Cost.
6. Multiply the quotient computed pursuant to paragraph 2 by the amount determined pursuant to step #5 above to determine the Future Facilities Cost to be prepaid (the "Future Facilities Amount").
7. Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.
8. Estimate the amount of interest earnings to be derived from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the earliest redemption date for the Outstanding Bonds.

9. Subtract the amount computed pursuant to paragraph 8 from the amount computed pursuant to step #7 above. This difference is the "Defeasance."
10. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the "Administrative Fee."
11. Calculate the "Reserve Fund Credit" as the lesser of: (a) the expected reduction in the applicable reserve requirements, if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement(s) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the applicable reserve funds on the prepayment date. Notwithstanding the foregoing, if the reserve fund requirement is satisfied by a surety bond or other instrument at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than 0.
12. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Future Facilities Amount, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

With respect to a Special Tax obligation that is prepaid pursuant to this Section E, the City Council shall indicate in the records of Improvement Area No. 2 of CFD No. 2013-1 that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such prepayment 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 such Assessor's Parcel to pay such Special Taxes shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Special Tax that may be levied on Taxable Property, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently Outstanding Bonds in each future Fiscal Year.

SECTION F PARTIAL PREPAYMENT OF SPECIAL TAX

The Special Tax obligation of an Assessor's Parcel of Developed Property or Undeveloped Property, as calculated in this Section F. below, may be partially prepaid, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax obligation would be prepaid.

The Partial Prepayment Amount shall be calculated according to the following formula:

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

The terms above have the following meanings:

- PP = the Partial Prepayment Amount.
- P_e = the Prepayment Amount calculated according to Section E.
- F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax obligation.
- A = the Administrative Fee calculated according to Section E.

With respect to any Assessor's Parcel that is partially prepaid, the City Council shall indicate in the records of Improvement Area No. 2 of CFD No. 2013-1 that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such partial prepayment of the Special Tax obligation, to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Special Tax shall cease.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Taxes that may be levied on Taxable Property after such partial prepayment, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently Outstanding Bonds in each future Fiscal Year.

SECTION G TERMINATION OF SPECIAL TAX

For each Fiscal Year that any Bonds are outstanding the Special Tax shall be levied on all Assessor's Parcels subject to the Special Tax. If any delinquent Special Tax remain uncollected prior to or after all Bonds are retired, the Special Tax may be levied to the extent necessary to reimburse Improvement Area No. 2 of CFD No. 2013-1 for uncollected Special Taxes associated with the levy of such Special Tax, but not later than the 2053-2054 Fiscal Year.

SECTION H EXEMPTIONS

The City shall classify as Exempt Property (i) Assessor's Parcels owned by the State of California, Federal or other local governments, (ii) 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, (iii) Assessor's Parcels used exclusively by a homeowners' association, or (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 to less than the Minimum Taxable Acreage. Notwithstanding the above, the City Council shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property to less than the Minimum Taxable Acreage Acres. Assessor's Parcels which cannot be classified as Exempt Property because such

classification would reduce the Acreage of all Taxable Property to less than the Minimum Taxable Acreage will continue to be classified as Undeveloped Property, and will continue to be subject to Special Taxes accordingly.

SECTION I APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the City Council not later than twelve months after having paid the first installment of the Special Tax that is disputed. A representative(s) of Improvement Area No. 2 of CFD No. 2013-1 shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

The City Council may interpret this Rate and Method of Apportionment of Special Taxes for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner or resident appeals. Any decision of the City Council shall be binding as to all persons.

SECTION J MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that Improvement Area No. 2 of CFD No. 2013-1 may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations.

ATTACHMENT 3
FISCAL YEAR 2023/24 SPECIAL TAX ROLL

Special Taxes levied in FY 2023/24 for CFD No. 2013-1 IA-1 are shown on the following page.



**CITY OF CALEXICO
COMMUNITY FACILITIES DISTRICT NO. 2013-1 (GRAN PLAZA)
IMPROVEMENT AREA NO. 1
FISCAL YEAR 2023/24 TAX ROLL**

APN	Owner	Tax Class	Levy
058-180-086-000	GRAN PLAZA LP	UND	\$0.00
058-180-087-000	GRAN PLAZA LP	DEV	\$290,235.38
058-180-088-000	GRAN PLAZA LP	UND	\$0.00
058-400-067-000	GRAN PLAZA LP	UND	\$0.00
058-400-068-000	GRAN PLAZA LP	UND	\$0.00
058-400-069-000	GRAN PLAZA LP	DEV	\$27,046.34
Total Levy			\$317,281.72
Total Parcel Count			2

ATTACHMENT 4
BOUNDARY MAP

The following page shows the boundary map for CFD No. 2013-1.

**BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 2013-1 (GRAN PLAZA)
IMPROVEMENT AREAS NO. 1 AND NO. 2
CITY OF CALEXICO, COUNTY OF IMPERIAL, STATE OF CALIFORNIA**

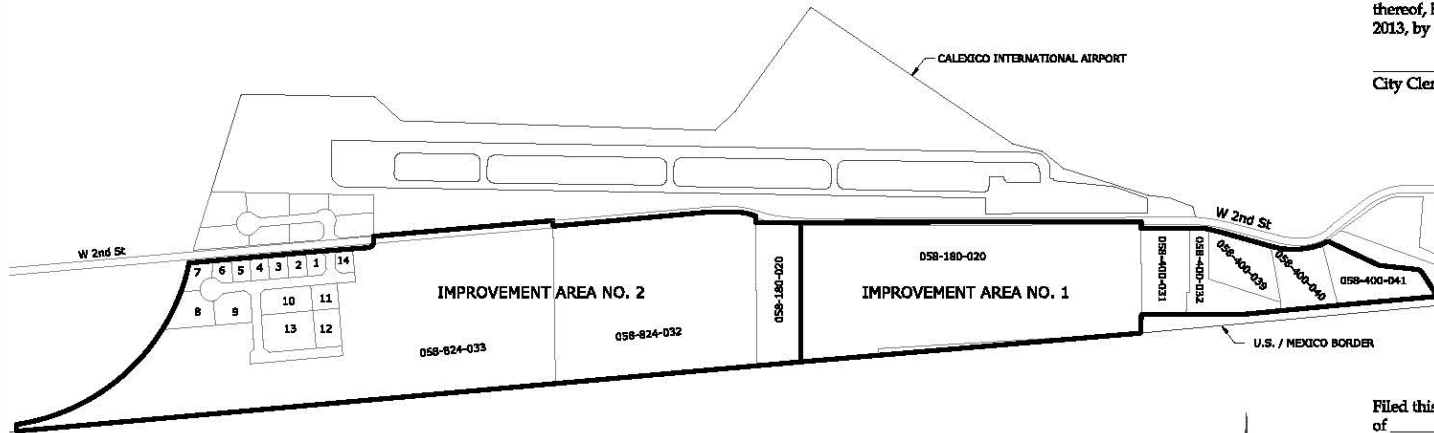
SHEET 1 OF 1

Filed in the Office of the City Clerk of the City of Calexico, this ____ day of _____, 2013.

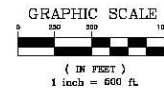
City Clerk

I hereby certify that the within map showing Boundaries of the City of Calexico Community Facilities District No. 2013-1 (Gran Plaza), County of Imperial, State of California, was approved by the City Council of the City of Calexico at a regularly scheduled meeting thereof, held on the ____ day of _____, 2013, by its Resolution No. ____

City Clerk



- | | |
|----------------|-----------------|
| 1: 058-824-001 | 10: 058-825-001 |
| 2: 058-824-002 | 11: 058-825-002 |
| 3: 058-824-003 | 12: 058-825-020 |
| 4: 058-824-004 | 13: 058-825-021 |
| 5: 058-824-005 | 14: 058-826-001 |
| 6: 058-824-006 | |
| 7: 058-824-007 | |
| 8: 058-824-008 | |
| 9: 058-824-009 | |



Filed this ____ day of _____, 2013, at the hour of ____ o'clock ____ m., in Book ____ of Maps of Assessment and Community Facilities Districts, Page ____ and as Instrument No. _____ in the Office of the County Recorder, in the County of Imperial, State of California.

County Recorder, County of Imperial

ATTACHMENT 5
DEBT SERVICE SCHEDULE

The following page shows the debt service schedule for the Bonds.



City Of Calexico
CFD No. 2013-1 IA-1

\$7,000,000 Community Facilities District No. 2013-1 (Gran Plaza) Improvement
Area No. 1 Special Tax Bonds, Issue Of 2014

Debt Service Schedule

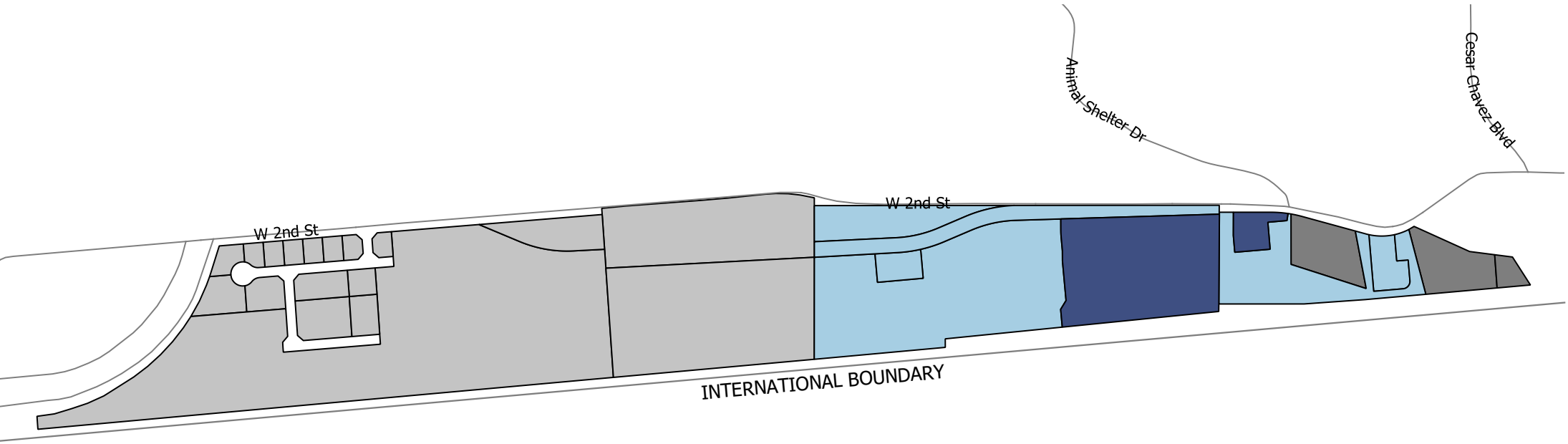
As of September 30th, 2023

Year Ending	CUSIP	Coupon Rate	Principal	Accreted Value	Interest	Debt Service
9/1/2024	129516AG5	4.6250	\$175,000.00		\$335,793.76	\$510,793.76
9/1/2025	129516AH3	4.7500	\$180,000.00		\$327,700.00	\$507,700.00
9/1/2026	129516AJ9	5.0000	\$190,000.00		\$319,150.00	\$509,150.00
9/1/2027	129516AK6	5.1250	\$200,000.00		\$309,650.00	\$509,650.00
9/1/2028	129516AL4	5.2500	\$210,000.00		\$299,400.00	\$509,400.00
9/1/2029	129516AM2	5.2500	\$220,000.00		\$288,375.00	\$508,375.00
9/1/2030	129516AN0	5.5000	\$235,000.00		\$276,825.00	\$511,825.00
9/1/2031	129516AN0	5.5000	\$245,000.00		\$263,900.00	\$508,900.00
9/1/2032	129516AN0	5.5000	\$260,000.00		\$250,425.00	\$510,425.00
9/1/2033	129516AN0	5.5000	\$275,000.00		\$236,125.00	\$511,125.00
9/1/2034	129516AN0	5.5000	\$290,000.00		\$221,000.00	\$511,000.00
9/1/2035	129516AN0	5.5000	\$305,000.00		\$205,050.00	\$510,050.00
9/1/2036	129516AN0	5.5000	\$325,000.00		\$188,275.00	\$513,275.00
9/1/2037	129516AP5	6.0000	\$340,000.00		\$170,400.00	\$510,400.00
9/1/2038	129516AP5	6.0000	\$360,000.00		\$150,000.00	\$510,000.00
9/1/2039	129516AP5	6.0000	\$380,000.00		\$128,400.00	\$508,400.00
9/1/2040	129516AP5	6.0000	\$400,000.00		\$105,600.00	\$505,600.00
9/1/2041	129516AP5	6.0000	\$425,000.00		\$81,600.00	\$506,600.00
9/1/2042	129516AP5	6.0000	\$455,000.00		\$56,100.00	\$511,100.00
9/1/2043	129516AP5	6.0000	\$480,000.00		\$28,800.00	\$508,800.00
			\$5,950,000.00	\$0.00	\$4,242,568.76	\$10,192,568.76

ATTACHMENT 6
DEVELOPMENT MAP

The following page shows the development map for CFD No. 2013-1.

CITY OF CALEXICO COMMUNITY FACILITIES DISTRICT NO. 2013-1 (GRAN PLAZA) AS OF MAY 1, 2023



Legend

- IA No. 1 Developed
- IA No. 1 Undeveloped
- IA No. 1 Exempt
- IA No. 2