

RESOLUTION NO. 2017-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DESERT HOT SPRINGS DECLARING ITS INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2010-1 (SERVICES) OF THE CITY OF DESERT HOT SPRINGS, ADOPTING A MAP OF THE AREA PROPOSED TO BE ANNEXED (ANNEXATION NO. 15), AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN

WHEREAS, on July 6, 2010 the City Council (the "City Council") of the City of Desert Hot Springs (the "City") approved Resolution No. 2010-037 establishing Community Facilities District No. 2010-1 (Services) of the City of Desert Hot Springs, County of Riverside, State of California (the "CFD No. 2010-1") for the purpose of levying special taxes on parcels of taxable property therein for the purpose of providing certain services which are necessary to meet increased demands placed upon the City as a result of the development of said real property; and

WHEREAS, the City Council called a special election for July 6, 2010, at which the questions of levying a special tax and establishing an appropriations limit with respect to the CFD No. 2010-1 were submitted to the qualified electors within the CFD No. 2010-1; and

WHEREAS, on July 6, 2010, the City Council adopted Resolution No. 2010-038 determining the results of the special election and finding that more than two-thirds (2/3) of all votes cast at the special election were cast in favor of the proposition presented, and such proposition passed; and

WHEREAS, the City Council is authorized by Article 3.5 (commencing with Section 53339) of Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code as amended (the "Act"), to annex territory into an existing community facilities district by complying with the procedures set forth in said Article 3.5; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DESERT HOT SPRINGS, ACTING EX OFFICIO AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT 2010-1 (SERVICES) OF THE CITY OF DESERT HOT SPRINGS, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Intent. The City Council hereby declares that it proposes and intends to conduct proceedings pursuant to Article 3.5 for the annexation to the Community Facilities District of the territory described in Exhibit "A" attached hereto. The City Council determines that the public convenience and necessity require that such territory be annexed to the Community Facilities District.

Section 2. Name of the Community Facilities District. The name of the existing community facilities district is known as "Community Facilities District No. 2010-1 (Services)."

Section 3. Description of Territory Proposed to be Annexed, Annexation Map. The territory proposed to be annexed is included within the boundaries for which property may annex to CFD No. 2010-1 and are more particularly described and shown on that certain map entitled "Boundaries – Potential Annexation Area Community Facilities District No. 2010-1 (Services) of the City of Desert Hot Springs, County of Riverside, State of California," as recorded on June 8, 2010 in Book 74 of Maps of Assessment and Community Facilities District, Page 81, and as Instrument No. 2010-0263725 in the official records of the County of Riverside. The territory proposed to be annexed to the CFD No. 2010-1 is described in Exhibit "A" attached hereto and

by this reference made a part hereof. Such territory is also shown and described on the map thereof entitled "Annexation Map No. 15, Community Facilities District No. 2010-1 (Services), City of Desert Hot Springs, County of Riverside, State of California," which is on file with the City Clerk (the "Annexation Map") and attached hereto as Exhibit B.

Section 4. **Description of Authorized Services.** The services proposed to be financed by CFD No. 2010-1 (the "Services") include, without limitation, all necessary service, operation, administration and maintenance required to keep the lighting of parks, parkways, streets, roads and open space, which maintenance and lighting services may include, without limitation, furnishing of electrical power to street lights; repair and replacement of damaged or inoperative light bulbs, fixtures and standards; maintenance (including irrigation and replacement) of landscaping vegetation situated on or adjacent to parks, parkways, streets, roads and open space; maintenance and repair of irrigation facilities; maintenance of public signage; graffiti removal from and maintenance and repair of public structures situated on parks, parkways, streets, roads and open space; maintenance and repair of playground or recreation program equipment or facilities situated on any park, and the maintenance and operation of storm drainage and flood protection facilities, including, without limitation, drainage inlets and retention basins. The cost of providing the Services includes "incidental expenses," which include costs associated with the creation of CFD No. 2010-1, determination of the amount of special taxes, collection or payment of special taxes, or costs otherwise incurred in order to carry out the authorized purposes of CFD No. 2010-1. The Services authorized to be financed by CFD No. 2010-1 are in addition to those currently provided in the territory of CFD No. 2010-1 and do not supplant services already available within that territory.

Section 5. **Levy of Special Tax.** Except where funds are otherwise available, a special tax sufficient to pay the costs of the Services (including incidental expenses), secured by recordation of a continuing lien against all nonexempt real property in CFD No. 2010-1, will be levied annually within the territory proposed to be annexed to the CFD No. 2010-1. Pursuant to Section 53340 of the California Government Code, and the special taxes shall be collected in the same manner as ordinary ad valorem property taxes are collected and shall be subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for ad valorem taxes. The rates and method of apportionment, and manner of collection of the special tax are specified in Exhibit C. The rate of special tax to be levied on property within the territory proposed to be annexed to CFD No. 2010-1 in any fiscal year to pay the cost of the services described in Section 4 above shall be equal to the rate of special tax which will be levied on all other property within the CFD No. 2010-1 to pay the cost of such services in such fiscal year.

Section 6. **Adoption of Annexation Map.** Pursuant to Section 3110.5 of the Streets and Highways Code, the City Council adopts the Annexation Map as the map of the area proposed to be annexed to the CFD No. 2010-1. Pursuant to Section 3111 of said Code, the City Clerk shall file the original of the Annexation map in his office and shall file a copy of the Annexation Map with the County Recorder of the County of Riverside no later than fifteen days prior to the date of the hearing specified in Section 7 hereof.

Section 7. **Public Hearing.** The City Council hereby fixes 6:00 p.m., or as soon thereafter as practicable, on July 5th, 2017 in the City Council Chambers located in the Carl May Community Center, 11711 West Drive, Desert Hot Springs, California 92240, as the time and place when and where the City Council will conduct a public hearing on the proposed annexation of said territory to the CFD No. 2010-1.

Section 8. **Notice of Public Hearing.** The City Clerk is hereby directed to publish, or cause to be published, a notice of said public hearing, in substantially the form attached hereto

as Exhibit D, one time in a newspaper of general circulation published in the area of CFD No. 2010-1. The publication of said notice shall be completed at least seven days prior to the date herein fixed for said hearing. Said notice shall contain the information prescribed by Section 53322 of the Act.

Section 9. **Mailing Ballots.** In anticipation of its action on Wednesday, July 5th, 2017, to call the election on the annexation for the same date, pursuant to waiver of election time limits from the landowners, the City Council hereby authorizes the City Clerk to mail to each landowner in the territory proposed to be annexed to the CFD No. 2010-1 a ballot in substantially the form set forth in Exhibit E hereto. A copy of the petition, waiver and consent form signed by the property owner is attached hereto as Exhibit F and incorporated herein by this reference.

Section 10. **Effective Date.** This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the City Council of the City of Desert Hot Springs at a special meeting held on this sixth day of June, 2017 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

[SIGNATURES FOLLOW ON THE NEXT PAGE]

ATTEST:

Jerryl Soriano, CMC, City Clerk

APPROVED:

Scott Matas, Mayor

APPROVED AS TO FORM:

Jennifer Mizrahi, City Attorney

CERTIFICATE OF CLERK

I, Jerryl Soriano, City Clerk of the City of Desert Hot Springs, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the City Council of the City of Desert Hot Springs duly and regularly held at the regular meeting place thereof on June 6, 2017, of which meeting all of the members of said City Council had due notice, and at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

I do hereby further certify that an agenda of said meeting was posted at least 72 hours before said meeting at 65950 Pierson Boulevard, Desert Hot Springs, CA 92240, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I do hereby further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified, rescinded or revoked in any manner since the date of its adoption, and the same is now in full force and effect.

Dated: June 6, 2017

City Clerk of the City of Desert Hot Springs

[SEAL]

EXHIBIT A

DESCRIPTION OF PROPOSED TERRITORY TO BE ANNEXED

EXHIBIT B
ANNEXATION MAP

EXHIBIT C

**COMMUNITY FACILITIES DISTRICT NO. 2010-1 (SERVICES)
RATE AND METHOD OF APPORTIONMENT**

EXHIBIT D

NOTICE OF PUBLIC HEARING

EXHIBIT E
SPECIAL ELECTION BALLOT

EXHIBIT F

**WAIVER AND CONSENT RESPECTING CONDUCT OF
MAILED-BALLOT, LANDOWNER ELECTION**

EXHIBIT A

DESCRIPTION OF PROPOSED TERRITORY TO BE ANNEXED

EXHIBIT A

DESCRIPTION OF PROPOSED TERRITORY TO BE ANNEXED

The City of Desert Hot Springs Community Facilities District No. 2010-1 (the "CFD No. 2010-1") Annexation No. 15 is currently comprised of one (1) parcel, located within the City boundaries. The property is identified by the following Riverside County Assessor's Parcel Number (APN).

APN	Owner Name
665-030-058	Bunch Palms Trail, LLC

EXHIBIT B
ANNEXATION MAP

ANNEXATION MAP NO. 15

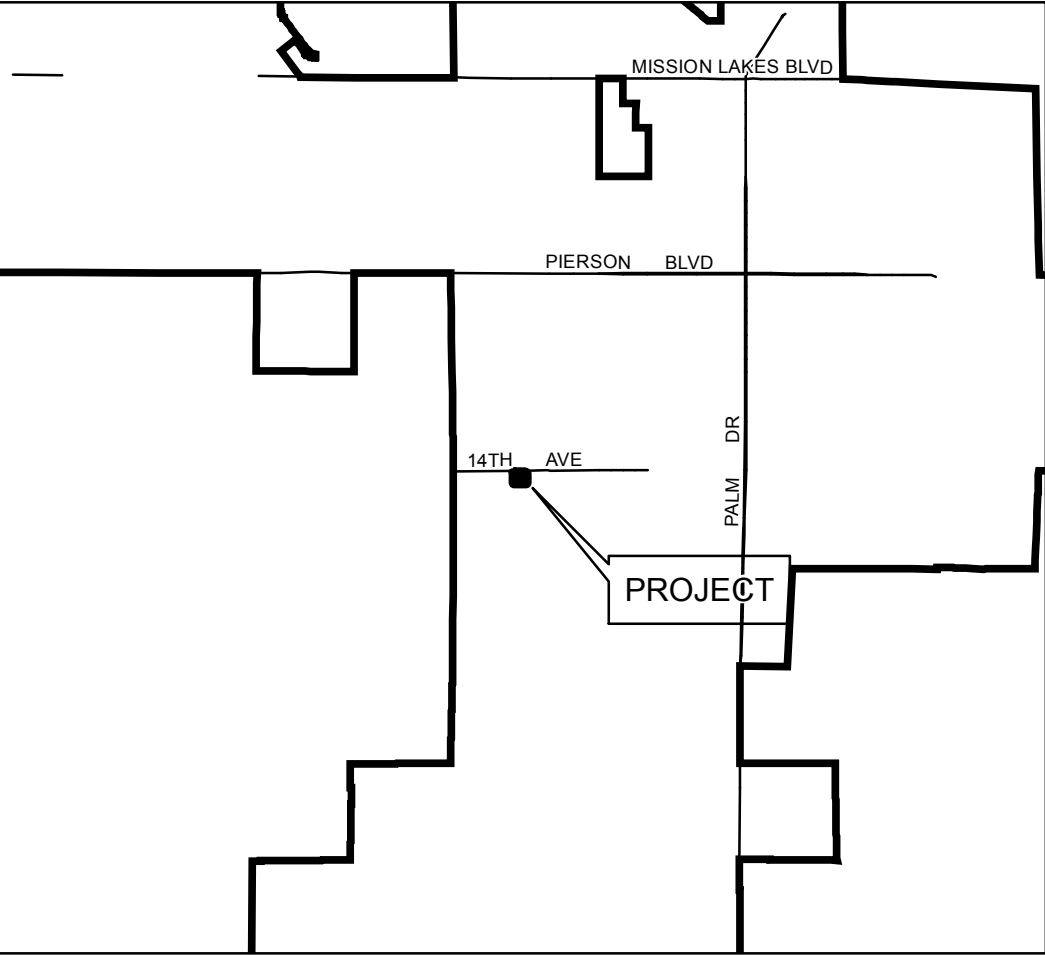
COMMUNITY FACILITIES DISTRICT NO. 2010-1 (SERVICES)
CITY OF DESERT HOT SPRINGS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

THIS MAP SHOWS THE BOUNDARIES OF AREAS TO BE ANNEXED TO COMMUNITY FACILITIES DISTRICT NO. 2010-1 (SERVICES) OF THE CITY OF DESERT HOT SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA. THE BOUNDARIES OF WHICH COMMUNITY FACILITIES DISTRICT ARE SHOWN AND DESCRIBED ON THE MAP THEREOF WHICH WAS PREVIOUSLY RECORDED ON JUNE 8, 2010, IN BOOK 74 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 81 AND AS INSTRUMENT NO. 2010-0263725, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

I HEREBY CERTIFY THAT THE WITHIN MAP OR AREAS TO BE ANNEXED TO COMMUNITY FACILITIES DISTRICT NO. 2010-1 (SERVICES) OF THE CITY OF DESERT HOT SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF DESERT HOT SPRINGS AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 20____, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF DESERT HOT SPRINGS

VICINITY MAP
NOT TO SCALE



NOT TO SCALE

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

FEE: _____ NO.: _____
PETER ALDANA, ASSESSOR, COUNTY CLERK, RECORDER

BY: _____
DEPUTY

FILED IN THE OFFICE OF THE CITY CLERK, CITY OF DESERT HOT SPRINGS, THIS ____ DAY OF _____, 20____.

CITY CLERK
CITY OF DESERT HOT SPRINGS

LEGEND

- CFD BOUNDARY
- PARCEL LINE

XXX-XXX-XXX ASSESSOR PARCEL NUMBER

EXHIBIT C

**COMMUNITY FACILITIES DISTRICT NO. 2010-1 (SERVICES)
RATE AND METHOD OF APPORTIONMENT**

EXHIBIT C-1

RATES AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 2010-1 (SERVICES) OF THE CITY OF DESERT HOT SPRINGS

A Special Tax (the "Special Tax") shall be levied on and collected from each Assessor's Parcel (defined below) in Community Facilities District No. 2010-1 (Services), in each Fiscal Year, (defined below), commencing in the Fiscal Year beginning July 1, 2010, in an amount determined by the City Council of the City of Desert Hot Springs, acting ex officio as the legislative body of CFD No. 2010-1, by applying the rates and method of apportionment set forth below. All of the real property in CFD No. 2010-1, unless exempted by law or by the provisions herein, shall be taxed for the purposes, to the extent and in the manner provided herein.

A. DEFINITIONS

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on any Assessor's Parcel Map, or if the land area is not shown on the Assessor's Parcel Map, the land area as shown on the applicable Final Map, or if the area is not shown on the applicable Final Map, the land area shall be calculated by the Administrator.

"Administrative Expenses" means any ordinary and necessary expenses allocable to the Special Tax Requirement which are incurred by the City on behalf of CFD No. 2010-1 related to the determination of the amount of the levy of Special Tax, the collection of Special Tax including the expenses of collecting delinquencies, the payment of salaries and benefits of any City employee whose duties are directly related to the administration of CFD No. 2010-1, and costs otherwise incurred in order to carry out the authorized purposes relating to CFD No. 2010-1.

"Administrator" means the City of Desert Hot Springs City Manager of the City, or his or her designee.

"Assessor's Parcel" means a lot or parcel of land that is identifiable by an Assessor's Parcel Number by the County Assessor of the County of Riverside.

"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 identification number assigned to a parcel by the County Assessor of the County.

"Assigned Special Tax" means the Special Tax for each Land Use Category of Taxable Property, as determined in accordance with Section C., below.

“Benefit Unit” means a single family residential lot or dwelling unit or the equivalent. Single Family Property is assigned benefit units based on the number of Residential Units per Assessor’s Parcel with the basis being one (1) benefit unit per Residential Unit. Multi-Family Residential Property is assigned 60 percent of one benefit unit, or six-tenths (0.6) benefit units, per Residential Unit. Commercial Property is assigned benefit units based on acreage with the basis being five (5) benefit units per acre. Hotel Property is assigned benefit units based on acreage with the basis being five (5) benefit units per acre. Industrial Property is assigned benefit units based on acreage with the basis being two (2) benefit units per acre. Religious Property is assigned benefit units based on acreage with the basis being two (2) benefit units per acre.

“CFD” or **“CFD No. 2010-1”** means the City of Desert Hot Springs Community Facilities District No. 2010-1 (Services).

“City” has the meaning set forth in the preamble.

“Commercial Property” means, in any Fiscal Year, any Assessor’s Parcel for which a building permit or use permit has been issued for a commercial establishment which includes, but is not limited to, retail stores, clothing stores, book stores, video rental stores, drug stores, professional services (i.e., barber shops, dry cleaners), restaurants, supermarkets, hospitals, movie theaters, appliance and electronic stores, home supply stores, auto parts stores, and other businesses providing auto-related products and services. The Administrator shall make the determination if an Assessor’s Parcel is Commercial Property.

“County” means the County of Riverside

“Exempt Property” means all Assessors’ Parcels designated as being exempt from the Special Tax as provided for in Section G.

“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 1352 that creates individual lots for which building permits may be issued without further subdivision

“Fiscal Year” means the period from and including July 1st of any year to and including the following June 30th.

“Hotel Property” means, in any Fiscal Year, any Assessor’s Parcel for which a building permit or use permit has been issued for a structure that constitutes a place of lodging providing sleeping accommodations and related facilities for travelers. The Administrator shall make the determination if an Assessor’s Parcel is Hotel Property.

“Industrial Property” means, in any Fiscal Year, any Assessor’s Parcel for which a building permit or use permit has been issued for construction of an industrial, manufacturing, or warehousing structure. The Administrator shall make the determination if an Assessor’s Parcel is Industrial Property.

“Land Use Category” means any of the categories contained in Table 1 hereof to which a Parcel is assigned consistent with the land use approvals that have been received or proposed for the Parcel as of March 1 preceding the beginning of a Fiscal Year.

“Maintenance Category” means any of the categories listed in Table 2 hereof to which an Assessor’s Parcel is assigned consistent with the rate per Benefit Unit for providing Services to said Assessor’s Parcel as determined by the Administrator.

“Maximum Special Tax Rate(s)” means the Maximum Special Tax for each Land Use Category of Taxable Property, as determined in accordance with Section C., below.

“Multi-Family Residential Property” means any Assessor’s Parcel of residential property that consists of a building or buildings comprised of attached Residential Units available for rental, but not purchase, by the general public and under common management.

“Religious Property” means any Assessor’s Parcel used as a place of worship or for other religious activities. The Administrator shall make the determination if an Assessor’s Parcel is Religious Property.

“Residential Unit” means, for each Fiscal Year, a building or portion thereof on an Assessor’s Parcel intended for use by one (1) family and containing but one (1) kitchen, which is designed primarily for residential occupancy including single family and multifamily dwellings. Residential Unit shall not include hotels or motels which shall be classified as Hotel Property.

“Services” means those services authorized to be funded by CFD No. 2010-1 as set forth in the documents adopted by the City Council when the CFD was formed..

“Single Family Residential Property” means any residential property that consists of a building comprised of attached or detached residential units available for purchase or rent by the general public.

“Special Tax(es)” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property.

“Special Tax Requirement” means that amount to be collected in any Fiscal Year to pay for certain costs as required to meet the needs of CFD No. 2010-1 in both the current Fiscal Year and the next Fiscal Year. The costs to be covered shall be the direct costs for (i) Services, and (ii) Administrative Expenses. Under no circumstances shall the Special Tax Requirement include funds for Bonds.

“Taxable Property” means all Assessor’s Parcels within CFD No. 2010-1, which are not Exempt Property.

B. ASSIGNMENT TO LAND USE AND MAINTENANCE CATEGORY

The Special Tax shall be levied annually upon each Assessor's Parcel of Taxable Property for each Fiscal Year according to the Land Use Category and Maintenance Category assigned. Each Fiscal Year the Administrator shall identify the current Assessor's Parcel Number assigned to all Assessor's Parcels of Taxable Property within CFD No. 2010-1 and determine which Land Use Category each Assessor's Parcel should be assigned to according to Table 1 below. The Administrator shall further assign the appropriate Maintenance Category contained in Table 2 according to the estimated cost for providing Services to the Assessor's Parcel.

TABLE 1
Land Use Category
Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs, California

Land Use Category	Description	Benefit Unit(s)
A	Single Family Residential Property	One (1) / Residential Unit
B	Multi-Family Residential Property	Six tenths (0.6) / Residential Unit
C	Commercial Property	Five (5) / Acre
D	Hotel Property	Five (5) / Acre
E	Industrial Property	Two (2) / Acre
F	Religious Property	Two (2) / Acre

No Special Tax shall be levied on property which, at the time of adoption of the Resolution of Formation for CFD No. 2010-1, is an Exempt Property.

C. MAXIMUM SPECIAL TAX RATES

The Maximum Special Tax for each Assessor's Parcel of Taxable Property assigned to each Maintenance Category shall be the greater of: (i) the applicable Assigned Special Tax described in Table 2 for such Maintenance Category or (ii) the amount derived by application of the Backup Special Tax.

a. Assigned Special Tax

The Assigned Special Tax for each Assessor's Parcel of Taxable Property is shown in Table 2 is fixed and does not increase each Fiscal Year. For each Fiscal Year following the first Fiscal Year an Assessor's Parcel is levied the applicable Assigned Special Tax shall increase by i) the percentage increase in the Consumer Price Index (All Items) for Los Angeles - Riverside - Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, or ii) by two and one half percent (2.50%), whichever is greater on each subsequent July 1 for the Fiscal Year then commencing.

b. Backup Special Tax

The Backup Special Tax shall equal the Assigned Special Tax that is applicable to an Assessor's Parcel as determined for the current Fiscal Year the tax is calculated. Notwithstanding the foregoing, if Assessor's Parcels classified or to be classified as Taxable Property is subsequently changed or modified by recordation of a lot line adjustment or similar instrument, then the Backup Special Tax shall be recalculated for the area that has been changed or modified.

When a Final Map is recorded, the Backup Special Tax for an Assessor's Parcel classified or to be classified as Commercial Property, Industrial Property, or Religious Property within such Final Map shall be determined by multiplying the Assigned Special Tax rate per Benefit Unit by the Proposed Benefit Units or Acreage of Commercial Property, Industrial Property, or Religious Property described in Table 4 of Section G., in such Final Map and dividing such amount by the number of Taxable Acres classified or to be classified as Commercial Property, Industrial Property, or Religious Property (i.e., the number of acres) within such Final Map.

When a Final Map is recorded, the Backup Special Tax for an Assessor's Parcel classified or to be classified as Single Family Residential Property or Multi-Family Residential Property within such Final Map shall be determined by multiplying the Assigned Special Tax rate per Benefit Unit by the Proposed Benefit Units of Single Family Residential Property or Multi-Family Residential Property described in Table 4 of Section G., in such Final Map and dividing such amount by the number of Assessor's Parcels classified or to be classified as Single Family Residential Property or Multi-Family Residential Property (i.e., the number of single family residential lots) within such Final Map.

For each Fiscal Year following Fiscal Year 2010-2011 the Backup Special Tax shall increase by the percentage increase in the Consumer Price Index (All Items) for Los Angeles - Riverside - Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, or by two and one half percent (2.50%), whichever is greater.

TABLE 2
Assigned Special Tax Rates
Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs, California

Maintenance Category	Assigned Special Tax Rate Per Benefit Unit
1	\$20.00
2	\$30.00
3	\$40.00
4	\$50.00
5	\$60.00
6	\$70.00
7	\$80.00
8	\$90.00
9	\$100.00
10	\$150.00
11	\$200.00
12	\$250.00
13	\$300.00
14	\$350.00
15	\$400.00
16	\$450.00
17	\$500.00
18	\$550.00
19	\$600.00
20	\$650.00
21	\$700.00
22	\$750.00
23	\$800.00
24	\$850.00
25	\$900.00
26	\$950.00
27	\$1,000.00
28	\$1,250.00
29	\$1,500.00
30	\$2,000.00
31	\$2,500.00
32	\$3,000.00
33	\$3,500.00
34	\$4,000.00
35	\$4,500.00
36	\$5,000.00

TABLE 3
Assignment to Land Use Category
Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs, California

Assessor Parcel No.	Land Use Category	Maintenance Category
642-081-006	B	15

D. METHOD OF APPORTIONMENT OF ANNUAL SPECIAL TAX

For each Fiscal Year, the City shall determine the total amount of the Special Tax Requirement to be levied and collected to pay the costs of providing the Services during the Fiscal Year and shall levy the Special Tax as determined by the actual cost of providing services as shown in Exhibit A on all Assessor's Parcels in all Land Use Categories and Maintenance Categories at the rates necessary to fully fund such costs; provided that such rates shall not exceed the Maximum Special Tax Rates for the Fiscal Year. In levying the Special Tax to fund the costs of providing the Services in each Fiscal Year, the City shall (a) determine the cost of providing the Services and the amount of the Special Tax per Benefit Unit to be levied on Assessor's Parcels in each Maintenance Category to provide such Services; (b) levy the Special Tax on all Assessor's Parcels in each Maintenance Category, as then applicable, based on the Benefit Units assigned to such Assessor's Parcels depending on the Land Use Categories to which they are assigned. The amount of the Special Tax to be levied on any Assessor's Parcel in any Fiscal Year shall be the total of the rates of Special Tax determined pursuant to clauses (a) and (b) above, to the extent that such clauses are applicable to the Assessor's Parcel, based on the Land Use Category and Maintenance Category to which the Assessor's Parcel is assigned and the Services which must be funded from the total amount of the Special Tax per Benefit Unit to be levied on all Assessor's Parcels in the same Maintenance Category to fund the costs of such Services.

E. FUTURE ANNEXATIONS

It is anticipated that additional properties will be annexed to CFD No. 2010-1 from time to time. As each annexation is proposed, an analysis will be prepared to determine the annual cost for providing Services. Based on this analysis, the property to be annexed will be assigned to the appropriate Maintenance Category and the appropriate Assigned Tax rate contained in Table 2.

F. TERM OF SPECIAL TAX

For each Fiscal Year, the Special Tax shall be levied in perpetuity as long as the Services are being provided.

G. EXEMPTIONS

The City shall classify as Exempt Property within CFD No. 2010-1, any Assessor's Parcel in any of the following categories; (i) Assessor's Parcels which are owned by, irrevocably offered for dedication, encumbered by or restricted in use by any public entity; (ii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement; (iii) Assessor's Parcels which are privately owned but are encumbered by or restricted solely for public uses; or (iv) any Assessor's Parcel which is in use in the performance of a public function as determined by the Administrator.

Notwithstanding the foregoing, the classification of Exempt Property shall not reduce the Benefit Units or Acreage to less than the amount shown in Table 4 below.

TABLE 4
Proposed Benefit Units and Acreage
Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs, California

Assessor Parcel No.	Benefit Units	Acreage
642-081-006	36	4.43

H. 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 not later than twelve months after having paid the first installment of the Special Tax that is disputed. A representative(s) of CFD No. 2010-1 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, but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

I. 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 CFD No. 2010-1 may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations.

EXHIBIT C-2

**Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs, California
Assignment to Maintenance Category
Original CFD 2010-1 Formation - June 2010**

Assessor Parcel No.	Land Use Category	Maintenance Category	Benefit Units	Acreage
642-081-006	B	15	36	4.43

Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs, California
Assignment to Maintenance Category
Annexation #1 - August 2011

Assessor Parcel No.	Land Use Category	Maintenance Category	Benefit Units	Acreage
638-152-006	A	6	1.00	0.16
639-182-051	A	6	1.00	0.15
639-191-048	A	6	1.00	0.22
639-211-011	C	6	0.78	0.16
639-211-012	C	6	0.74	0.15
639-211-013	C	6	0.73	0.15
639-211-014	C	6	0.89	0.18
639-212-019	C	6	0.89	0.18
639-212-020	C	6	0.81	0.16
639-212-021	C	6	0.81	0.16
639-212-022	C	6	0.82	0.16
639-232-026	C	6	0.76	0.15
639-232-027	A	6	1.00	0.15
639-232-028	A	6	1.00	0.15
639-232-040	C	6	0.75	0.15
639-252-018	C	6	0.74	0.15
639-252-019	C	6	0.87	0.17
639-252-039	C	6	0.75	0.15
639-252-041	C	6	0.74	0.15
639-252-042	C	6	3.30	0.66
639-252-043	C	6	0.75	0.15
639-293-023	C	6	3.70	0.74
639-293-024	C	6	3.75	0.75
639-293-025	C	6	2.35	0.47
639-293-026	C	6	1.30	0.26
639-293-027	C	6	1.80	0.36
639-293-028	C	6	1.30	0.26
641-021-006	C	6	0.76	0.15
641-021-048	C	6	2.99	0.60
641-041-020	C	6	1.62	0.32
641-041-023	C	6	0.87	0.17
641-041-047	C	6	2.49	0.50
641-041-049	C	6	0.75	0.15
641-041-050	C	6	0.75	0.15
641-041-051	C	6	0.75	0.15
641-072-038	A	6	1.00	0.15
641-102-021	C	6	4.50	0.90
641-113-004	C	6	0.83	0.17
667-120-018	A	6	1.28	0.26
667-120-020	A	6	1.28	0.26
667-120-021	A	6	1.35	0.27
667-120-022	A	6	1.20	0.24
664-190-043	C	24	31.80	6.36

**Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs, California
Assignment to Maintenance Category
Annexation #2 - March 2013 - Not Completed**

Assessor Parcel No.	Land Use Category	Maintenance Category	Benefit Units	Acreage
664-090-019	C	22	33.00	6.60

**Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs, California
Assignment to Maintenance Category
Annexation #3 - March 2013**

Assessor Parcel No.	Land Use Category	Maintenance Category	Benefit Units	Acreage
641-251-017	C	10	9.35	1.87

**Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs, California
Assignment to Maintenance Category
Annexation #4 - September 2014**

Assessor Parcel No.	Land Use Category	Maintenance Category	Benefit Units	Acreage
663-290-003	C	25	34.05	6.81

**Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs
Assignment to Maintenance Category
Annexation #5 – August 2015**

Assessor's Parcel No.	Land Use Category	Maintenance Category	Benefit Units	Acreage
656-020-037	C	16	36.05	7.21

Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs
Assignment to Maintenance Category
Annexation #6 – September 2015

Assessor's Parcel No.	Land Use Category	Maintenance Category	Benefit Units	Acreage
642-162-017	C	23	3.8	0.76

Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs
Assignment to Maintenance Category
Proposed Annexation #7 – FAILED

Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs
Assignment to Maintenance Category
Proposed Annexation #8 – December 2016

Assessor's Parcel No.	Land Use Category	Maintenance Category	Benefit Units	Acreage
657-030-057	C	19	5.35	1.07

Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs
Assignment to Maintenance Category
Proposed Annexation #9 – March 2017

Assessor's Parcel No.	Land Use Category	Maintenance Category	Benefit Units	Acreage
665-030-062	E	34	2.14	1.07

Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs
Assignment to Maintenance Category
Annexation #10 – On Hold

Assessor's Parcel No.	Land Use Category	Maintenance Category	Benefit Units	Acreage
639-241-021	D	32	0.80	0.16

Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs
Assignment to Maintenance Category
Proposed Annexation #11 – In Progress

Assessor's Parcel No.	Land Use Category	Maintenance Category	Benefit Units	Acreage
665-030-063	E	35	7.56	3.78

Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs
Assignment to Maintenance Category
Proposed Annexation #12 – In Progress

Assessor's Parcel No.	Land Use Category	Maintenance Category	Benefit Units	Acreage
665-030-053	C	16	5.35	1.07

Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs
Assignment to Maintenance Category
Proposed Annexation #13 – In Progress

Assessor's Parcel No.	Land Use Category	Maintenance Category	Benefit Units	Acreage
665-080-013	E	32	18.84	9.42

Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs
Assignment to Maintenance Category
Proposed Annexation #14 – In progress

Assessor's Parcel No.	Land Use Category	Maintenance Category	Benefit Units	Acreage
641-101-005	C	36	.90	0.18
641-101-006	C	36	.75	0.15

Community Facilities District No. 2010-1 (Services)
City of Desert Hot Springs
Assignment to Maintenance Category
Proposed Annexation #15 – June 2017

Assessor's Parcel No.	Land Use Category	Maintenance Category	Benefit Units	Acreage
665-030-058	E	36	4.26	2.13

EXHIBIT D

NOTICE OF PUBLIC HEARING

EXHIBIT D

NOTICE OF PUBLIC HEARING ON RESOLUTION OF INTENTION TO ANNEX TERRITORY TO AN EXISTING COMMUNITY FACILITIES DISTRICT

NOTICE IS HEREBY GIVEN that the City Council of the City of Desert Hot Springs on June 6, 2017, adopted its Resolution No. 2017-____, on file with the City Clerk, in which it declared its intention to annex territory to existing Community Facilities District No. 2010-1 (Services) (the "CFD No. 2010-1"), and to levy a special tax to pay for certain maintenance services, all pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, Chapter 2.5, Part 1, Division 2, Title 5 of the California Government Code. The resolution describes the territory to be annexed, specifies the type of services to be financed, and describes the rates and method of apportionment of the proposed special tax. No change in the tax levied in the existing CFD No. 2010-1 is proposed. For further details, the resolution is available at the Office of the City Clerk, 65950 Pierson Boulevard, Desert Hot Springs, CA 92240.

NOTICE IS HEREBY FURTHER GIVEN that the City Council has fixed 6:00 p.m., or as soon thereafter as practicable, on Wednesday, July 5th, 2017, in the City Council Chambers located in the Carl May Community Center, 11711 West Drive, Desert Hot Springs, California 92240, as the time and place when and where the City Council will conduct a public hearing on the proposed annexation of said territory to the CFD No. 2010-1. At the hearing, the testimony of all interest persons for or against the annexation of the territory or the levying of the special taxes will be heard.

DATED: _____, 2017

City Clerk of the City of Desert Hot Springs

EXHIBIT E
SPECIAL ELECTION BALLOT

**SPECIAL TAX ELECTION
CITY OF DESERT HOT SPRINGS**

**ANNEXATION OF TERRITORY TO
COMMUNITY FACILITIES DISTRICT NO. 2010-1 (SERVICES)
ANNEXATION NO. 15**

(July 5, 2017)

This ballot is for the use of the authorized representative of the following owner of land within Annexation No. 15 of the Community Facilities District No. 2010-1 (Services) ("CFD No. 2010-1") of the City of Desert Hot Springs:

<u>Name of Landowner</u>	<u>Number of Acres Owned</u>	<u>Total Votes</u>
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According to the provisions of the Mello-Roos Community Facilities Act of 1982, and resolutions of the City Council (the "Council") of the City of Desert Hot Springs (the "City"), the above-named landowner is entitled to cast the number of votes shown above under the heading "Total Votes," representing the total votes for the property owned by said landowner. The City has sent the enclosed ballot to you so that you may vote on whether or not to approve the special tax.

This special tax ballot is for the use of the property owner of the parcels identified below, which parcels are located within the territory proposed to be annexed to the CFD No. 2010-1, City of Desert Hot Springs, County of Riverside, State of California. Please advise the City Clerk, at (760) 329-6411 – Ext. 222, if the name set forth below is incorrect or if you are no longer one of the owners of these parcels. This special tax ballot may be used to express either support for or opposition to the proposed special tax. To be counted, this special tax ballot must be signed below by the owner or, if the owner is not an individual, by an authorized representative of the owner. The ballot must then be delivered to the City Clerk, either by mail or in person, as follows:

Mail

Delivery: If by mail, place ballot in the return envelope provided, and mail in an adequate amount of time so that the City Clerk receives the signed ballot no later than July 5, 2017, the date set for the election.

Personal

Delivery: If in person, deliver to the City Clerk at any time up to 6:00 p.m. on than July 5, 2017 at the Clerk's office at 65950 Pierson Blvd, Desert Hot Springs, CA, 92240.

However delivered, this ballot must be received by the Clerk prior to the close of the public meeting on June than July 5, 2017.

Very truly yours,

Joe Tanner
Administrative Services Director

TO CAST THIS BALLOT, PLEASE RETURN THIS ENTIRE PAGE.

OFFICIAL SPECIAL TAX BALLOT

Name & Address of Property Owner:	Assessor's Parcel Number(s):

ANNEXATION OF TERRITORY TO
COMMUNITY FACILITIES DISTRICT NO. 2010-1 (SERVICES)
ANNEXATION NO. 15

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT

<p><u>SPECIAL TAX BALLOT MEASURE</u></p> <p>Shall the City Council of the City of Desert Hot Springs be authorized to levy a special tax on an annual basis at the rates and apportioned as described in Exhibit C to the Resolution Declaring its Intention to Annex Territory to Community Facilities District No. 2010-1 (Services) adopted by the City Council on June 6, 2017 (the "Resolution"), which is incorporated herein by this reference, within the territory identified on the map entitled "Annexation Map No. 15 of Community Facilities District No. 2010-1 (Services) City of Desert Hot Springs, County of Riverside," to finance certain services as set forth in Section 4 to the Resolution (including incidental expenses).</p>	<p>MARK "YES" OR "NO" WITH AN "X":</p> <p>YES _____</p> <p>NO _____</p>
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Certification for Special Election Ballot

The undersigned is an authorized representative of the above-named landowner and is the person legally authorized and entitled to cast this ballot on behalf of the above-named landowner.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____, 20__.

Owner Name,

Signature

Print Name

Title

EXHIBIT F

**WAIVER AND CONSENT RESPECTING CONDUCT OF
MAILED-BALLOT, LANDOWNER ELECTION**

AMENDED PETITION TO THE CITY COUNCIL OF THE CITY OF DESERT HOT SPRINGS REQUESTING ANNEXATION OF PROPERTY TO MAINTENANCE COMMUNITY FACILITIES DISTRICT NO. 2010-1 (SERVICES) AND A WAIVER WITH RESPECTS TO CERTAIN PROCEDURAL MATTERS UNDER THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982 AND CONSENTING TO THE LEVY OF SPECIAL TAXES THEREON TO PAY THE COSTS OF SERVICES TO BE PROVIDED BY THE COMMUNITY FACILITIES DISTRICT

1. THE UNDERSIGNED OWNER requests that the City Council of the City of Desert Hot Springs, initiate and conduct proceedings pursuant to Article 3.5 (commencing with Government Code Section 53339) of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311) of Part I of Division 2 of Title 5 of the California Government Code, for the annexation of the property described below to Community Facilities District No. 2010-1 (Services) of the City of Desert Hot Springs, and consents to the annual levy of special taxes on such property to pay the costs of services to be provided by the community facilities district, services to be provided by community facilities district, services that are permitted under the Mello-Roos Community Facilities Act of 1982 including, without limitation, all necessary service, operations, administration and maintenance required to keep the lighting of parks, parkways, streets, roads and open space, which maintenance and lighting services may include, without limitation, furnishing of electrical power to street lights; repair and replacement of damaged or inoperative light bulbs, fixtures and standards; maintenance (including irrigation and replacement) of landscaping vegetation situated on or adjacent to parks, parkways, streets, roads and open space; maintenance and repair of irrigation facilities; maintenance of public signage; graffiti removal from and maintenance and repair of public structures situated on parks, parkways, streets, roads and open space; maintenance and repair of playground or recreation program equipment or facilities situated on any park, and the maintenance and operation of storm drainage and flood protection facilities, including, without limitation, drainage inlets and retention basins.

2. The undersigned hereby certifies that as of the date indicated opposite their signatures, the landowner listed herein is the owner of all the property within the proposed boundaries of the property described in Exhibit A hereto and as shown on the map Exhibit B hereto.

3. The undersigned waives any requirement for the mailing of the ballot for the special election and expressly agree that said election may be conducted by mailed or hand-delivered ballot to be returned as quickly as possible to the designated election official, being the office of the City Clerk of the City Council and the undersigned request that the results of said election be canvassed and reported to the City Council at the same meeting of the City Council as the public hearing on the creation of the community facilities district of the portion of the incorporated area of the City of Desert Hot Springs into the community facilities district or the next available meeting.

4. The undersigned expressly waives all applicable waiting periods for the election and waives the requirement for analysis and arguments relating to the special election,

and consents to not having such materials provided to the landowner in the ballot packet, and expressly waives any requirements as to the form of the ballot.

5. The undersigned expressly waives all notice requirements relating to hearings and special elections, whether by posting, publishing or mailing, and whether such requirements are found in the California Elections Code, the California Government Code or other laws or procedures, including but limited to any notice provided for by compliance with the provisions of Section 4101 of the California Elections Code.

6. The undersigned hereby consents to and expressly waives any and all claims based on any irregularity, error, mistake or departure from the provisions of the Act or other laws of the State and any and all laws and requirements incorporated therein, and no step or action in any proceeding relative to the creation of the community facilities district of the portion of the incorporated area of the City of Desert Hot Springs or the special election therein shall be invalidated or affected by any such irregularity, error mistake or departure.

IN WITNESS WHEREOF, I hereunto set my hand this 3 day of March, 20 .

[Mr. Mohammad Mehdi Tehranchi]

By: 

Name: _____

Title: owner

OWNER'S PROPERTY:

TRACT MAP OR PARCEL MAP NO.

or PROJECT NO. _____

OWNER'S MAILING ADDRESS:

P.O. Box 11201 _____

San Bernardino, CA 92423 _____

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY COUNCIL OF THE CITY OF DESERT HOT SPRINGS THIS _____ DAY OF _____, 20 .

Deputy City Clerk of the City Council of the
City of Desert Hot Spring

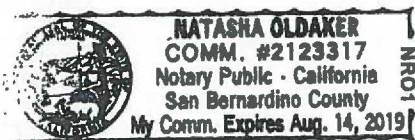
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Bernardino

On 03 March 2017 before me, Natasha Oldaker, Notary Public

personally appeared Mohammad Tehranchi



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Amended Petition to City Council

Document Date: 3/3/17 Number of Pages: 2

Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer(s)

Signer's Name: Mohammad Tehranchi

- ☒ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer's Name: N/A

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
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