

RESOLUTION NO. 2018-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
DESERT HOT SPRINGS CALLING AN ELECTION TO SUBMIT
TO THE QUALIFIED ELECTORS THE QUESTION OF LEVYING
A SPECIAL TAX WITHIN THE AREA PROPOSED TO BE
ANNEXED TO COMMUNITY FACILITIES DISTRICT NO. 2010-1
(SERVICES) (ANNEXATION NO. 26)**

WHEREAS, on July 6, 2010 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

WHEREAS, the City Council on December 5, 2017, duly adopted Resolution No. 2017-117 (the "Resolution of Intention") declaring its intention to annex certain territory to Community Facilities District No. 2010-1 (Services) and to levy a special tax within that territory to pay for certain services and setting a time and place for the public hearing on the proposed annexation for January 16, 2018.

WHEREAS, the territory proposed to be annexed is identified in a map entitled "Annexation Map No. 26 Community Facilities District No. 2010-1 (Services)" a copy of which was recorded, on December 19, 2017, in Book 81 of Maps of Assessment and Community Facilities Districts at Page(s) 88, in the office of the Riverside County Recorder; and

WHEREAS, pursuant to the Act and the Resolution of Intention, a noticed public hearing was convened by the City Council on January 16, 2018, not earlier than the hour of 6:00 p.m. at the City Council Chambers located in the Carl May Community Center, 11711 West Drive, Desert Hot Springs, California 92240, relative to the proposed annexation of said territory to CFD No. 2010-1; and

WHEREAS, written protests have not been filed by fifty percent (50%) or more of the registered voters residing within the CFD No 2010-1, or by fifty percent (50%) or more of the registered voters residing within the territory to be annexed, or by the owners of one-half (1/2) or more of

the area within the CFD No. 2010-1, or by the owners of one-half (1/2) or more of the territory to be annexed; and

WHEREAS, the City Council has determined that there are fewer than twelve registered voters residing in the territory proposed to be annexed to the CFD No. 2010-1 and that the qualified electors in such territory are the landowners; and

WHEREAS, on the basis of all of the foregoing, the City Council has determined at this time to call an election to authorize the annexation of territory to the CFD No. 2010-1 and the levying of a special tax as described in Exhibit B hereto; and

WHEREAS, the City Council has received a written instrument from each landowner in the territory proposed to be annexed to the CFD No. 2010-1 consenting to the shortening of election time requirements, waiving analysis and arguments, and waiving all notice requirements relating to the conduct of the election; and

WHEREAS, the City Clerk has concurred in the election date set forth herein.

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 Recitals. The foregoing recitals are true and correct.

Section 2. Conformation of Finding in Resolution of Intention. The City Council reconfirms all of its findings and determinations as set forth in the Resolution of Intention.

Section 3. Findings Regarding Protests. The City Council finds and determines that written protests to the proposed annexation of territory to the CFD No. 2010-1 and the levy of the special tax within such territory are insufficient in number and in amount under the Act, and the City Council hereby further orders and determines that all such protests are hereby overruled.

Section 4. Findings Regarding Prior Proceedings. The City Council finds and determines that all prior proceedings had and taken by the City Council with respect to the annexation of territory to CFD No. 2010-1 are valid and in conformity with the requirements of the Act.

Section 5. Levy of Special Tax. As stated in the Resolution of Intention, except where funds are otherwise available, subject to the approval of the qualified electors of territory proposed to be annexed to CFD No. 2010-1, a special tax sufficient to pay the costs of the Services (including incidental expenses as described in the Resolution of Intention), secured by recordation of a continuing lien against all nonexempt real property in CFD No. 2010-1, will be levied annually in CFD No. 2010-1. The rate and method of apportionment, and manner of collection of the special tax are specified in Exhibit B hereto.

Section 6. Apportionment of Tax. The special tax as apportioned to each parcel is based on the cost of making the Services available to each parcel, or other reasonable basis, and is not based on or upon the ownership of real property.

Section 7. Tax Roll Preparation. The office of the Administrative Services Director, 65950 Pierson Blvd, City of Desert Hot Springs, is hereby designated as the office that will be

responsible for annually preparing a current roll of special tax levy obligations by assessor's parcel number and that will be responsible for estimating future special tax levies pursuant to Government Code section 53340.2. The Administrative Services Director may cause these functions to be performed by his or her deputies, assistants, or other designated agents.

Section 8. Accountability Measures. Pursuant to Section 50075.1 of the California Government Code, the City shall create a separate account into which tax proceeds will be deposited; and the Finance Director annually shall file a report with the City Council that will state (a) the amount of funds collected and expended and (b) the status of the Services financed in CFD No. 2010-1.

Section 9. Special Election; Voting Procedures. The City Council hereby submits the questions of levying the special tax within the territory proposed to be annexed to the qualified electors, in accordance with and subject to the Act. The special election shall be held on January 16, 2018, and shall be conducted as follows:

(a) **Qualified Electors.** The City Council hereby determines that the Services are necessary to meet increased demands placed upon the City as a result of development occurring within the boundaries of CFD No. 2010-1. Because fewer than twelve registered voters resided within the territory proposed to be annexed to CFD No. 2010-1 on December 5, 2017 (a date within the 90 days preceding the close of the public hearing on the territory proposed to be annexed to CFD No. 2010-1), the qualified electors shall be the landowners within territory proposed to be annexed, and each landowner who was the owner of record at the close of the hearing shall have one vote for each acre or portion of an acre of land that such landowner owns within the territory proposed to be annexed to CFD No. 2010-1.

(b) **Mail Ballot Election.** Pursuant to Government Code section 53327.5, the election shall be conducted as a mail ballot election. The City Council hereby ratifies the City Clerk's delivery of a ballot to each landowner within the territory proposed to be annexed to CFD No. 2010-1. The City Council hereby ratifies the form of the ballot, which is attached hereto as Exhibit C.

(c) **Return of Ballots.** The City Clerk shall accept the ballots of the landowners up to 6:00 p.m. on January 16, 2018. The City Clerk shall have available ballots that may be marked at the City Clerk's office on the Election Day by voters. Once all qualified electors have voted, the City Clerk may close the election.

(d) **Canvass of Election.** The City Clerk shall commence the canvass of the returns of the special election as soon as the election is closed (on January 16, 2018, or when all qualified electors have voted) at the City Clerk's office. At the conclusion of the canvass, the City Clerk shall declare the results of the election.

(e) **Declaration of Results.** The City Council shall declare the results of the special election following the completion of the canvass of the returns and shall cause to be inserted into its minutes a statement of the results of the special election as ascertained by the canvass of the returns.

Section 10. Filing of Resolution and Map with City Clerk. The City Council hereby directs the City Clerk to file a copy of this resolution and the annexation map of the boundaries of CFD No. 2010-1 in his/her office.

Dated: January 16, 2018

[SIGNATURES FOLLOW ON THE NEXT PAGE]

PASSED AND ADOPTED by the City Council of the City of Desert Hot Springs at a regular meeting held on this sixteenth day of January, 2018, by the following vote:

AYES:

NAYS:

ABSENT:

ATTEST:

APPROVED:

Jerryl Soriano, CMC, City Clerk

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 January 16, 2018 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 11999 Palm Drive, 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: January 16, 2018

City Clerk of the City of Desert Hot Springs

[SEAL]

EXHIBIT A

DESCRIPTION OF SERVICES

The services which may be funded with proceeds of the special tax of CFD No. 2010-1, as provided by Section 53313 of the Act, are the following:

(a) maintenance and 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

(b) maintenance and operation of storm drainage and flood protection facilities, including, without limitation, drainage inlets and retention basins.

In addition to payment of the cost and expense of the forgoing services, proceeds of the special tax may be expended to pay "Administrative Expenses," as said term is defined in Exhibit B to this resolution of intention.

The above services shall be limited to those provided within the boundaries of CFD No. 2010-1 or for the benefit of the properties within the boundaries of CFD No. 2010-1, as the boundary is expanded from time to time by anticipated annexations, and said services may be financed by proceeds of the special tax of CFD No. 2010-1 only to the extent that they are in addition to those provided in the territory of CFD No. 2010-1 before CFD No. 2010-1 was created.

EXHIBIT B

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

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

**ANNEXATION OF TERRITORY TO
COMMUNITY FACILITIES DISTRICT NO. 2010-1 (SERVICES)
ANNEXATION NO. 26**

(January 16, 2018)

This ballot is for the use of the authorized representative of the following owner of land within the City of Desert Hot Springs Community Facilities District No. 2010-1 (Services) ("CFD No. 2010-1") Annexation No. 26:

<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 parcel identified below, which parcel is 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. 107, if the name set forth below is incorrect or if you are no longer one of the owners of this parcel. 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 January 16, 2018, 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 January 16, 2018 at the Clerk's office at 11999 Palm Drive, Desert Hot Springs, CA 92240.

However delivered, this ballot must be received by the Clerk prior to the close of the public meeting on January 16, 2018.

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. 26

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 December 5, 2017 (the "Resolution"), which is incorporated herein by this reference, within the territory identified on the map entitled "Annexation Map No. 26 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 _____, 2018.

OWNER NAME

Signature

Print Name

Title