

AFTER RECORDATION RETURN TO:

Jones Hall, A Professional Law Corporation  
475 Sansome Street, Suite 1700  
San Francisco, California 94111  
Attention: James A. Wawrzyniak, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

**TERMINATION AGREEMENT**

This Termination Agreement (this "Agreement") is dated as of \_\_\_\_\_ 1, 2017, and is by and among the CITY OF DESERT HOT SPRINGS, a chartered city and municipal corporation duly organized and existing under the laws of the State of California (the "City"), CITY OF DESERT HOT SPRINGS FINANCING CORPORATION, a non-profit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee for the 2004 Certificates described herein (the "2004 Trustee").

*WITNESSETH:*

**WHEREAS**, the Corporation and the City have heretofore caused the execution and delivery of the City of Desert Hot Springs Certificates of Participation (Interim Cash Flow Financing) in 2004 (the "2004 Certificates") evidencing the direct, undivided fractional interest of the owner thereof in lease payments to be made by the City as the rental for certain property [located at 65950 Pierson Boulevard in the City aggregating 4 acres, and comprising the City Hall, Fire Station, and certain unimproved land adjacent thereto] and described in more detail in Exhibit A hereto, pursuant to a Lease Agreement dated as of October 1, 2004 (the "2004 Lease Agreement") with the Corporation; and

**WHEREAS**, in connection with the execution and delivery of the 2004 Certificates, the City and the Corporation entered into the following documents:

- (i) Ground Lease dated as of October 1, 2004, between the City, as lessor, and the Corporation, as lessee, recorded on October \_\_, 2004 in the Official Records of Riverside County as document number \_\_\_\_\_ (the "2004 Ground Lease");
- (ii) 2004 Lease Agreement;
- (iii) [[Memorandum of Lease Agreement dated as of October 1, 2004, between the Corporation, as sublessor, and the City, as sublessee, recorded on October \_\_, 2004 in the Official Records of Riverside County

as document number \_\_\_\_\_ (the "2004 Memorandum of Lease"); and]]

- (iv) Assignment Agreement dated as of October 1, 2004, between the Corporation and the 2004 Trustee, recorded on October \_\_, 2004 in the Official Records of Riverside County as document number \_\_\_\_\_ (the "2004 Assignment Agreement"); and

**WHEREAS**, pursuant to Section [ ] of the 2004 Lease Agreement, the City has deposited with the 2004 Trustee funds which are sufficient to provide for the prepayment of the lease payments due under the 2004 Lease Agreement, and the corresponding prepayment of the 2004 Certificates, on \_\_\_\_\_, 2017, which has the effect of terminating the 2004 Lease Agreement of record against the properties which are leased thereunder; and

**NOW, THEREFORE**, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree:

**Section 1. Termination.**

(a) By virtue of the deposit with the 2004 Trustee of funds sufficient to pay and prepay in full the 2004 Lease Payments, (i) all obligations of the City under the 2004 Lease Agreement have ceased and terminated, excepting only the obligation of the City to make, or cause to be made, all payments from the deposit made by the City pursuant to Section [ ] of the 2004 Lease Agreement, (ii) the term of the 2004 Lease Agreement and the 2004 Ground Lease have terminated, and (iii) title to the property that is subject to the 2004 Lease Agreement shall vest in the City on the date of said deposit automatically and without further action by the City or the Corporation.

(b) In accordance with the foregoing, the 2004 Lease Agreement, the 2004 Ground Lease, [the 2004 Memorandum of Lease] and the 2004 Assignment are each hereby terminated and are of no further force or effect.

(c) From and after the date of recordation hereof, none of the parties shall have any further rights or obligations under the 2004 Lease Agreement, the 2004 Ground Lease, [the 2004 Memorandum of Lease] or the 2004 Assignment.

**Section 2. Execution in Counterparts.** This Termination Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Termination Agreement.

**CITY OF DESERT HOT SPRINGS**

By \_\_\_\_\_  
Chuck Maynard  
City Manager

Attest:

\_\_\_\_\_  
Jerryl Soriano  
City Clerk

**CITY OF DESERT HOT SPRINGS  
FINANCING CORPORATION**

By \_\_\_\_\_  
Chuck Maynard  
President

Attest:

\_\_\_\_\_  
Jerryl Soriano  
Secretary

**WELLS FARGO BANK, NATIONAL  
ASSOCIATION, *as 2004 Trustee***

By \_\_\_\_\_  
Authorized Officer

## **EXHIBIT A**

### **DESCRIPTION OF THE LEASED PROPERTY**

The Leased Property consists of that certain real property situated in the State of California, County of Riverside, City of Desert Hot Springs and described as follows: