

## **ESCROW DEPOSIT AND TRUST AGREEMENT**

THIS ESCROW DEPOSIT AND TRUST AGREEMENT (the "Agreement") is dated as of May 1, 2017 in connection with the issuance of the Successor Agency to the Redevelopment Agency of the City of Desert Hot Springs 2017 Subordinate Tax Allocation Refunding Bonds (the "Refunding Bonds") and is entered into by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF DESERT HOT SPRINGS (herein the "Successor Agency"), a public entity, duly organized and existing under and by virtue of the Constitution and laws of the State of California, and U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent (the "Escrow Agent"), a national banking association having a corporate trust office in California.

### **WITNESSETH:**

WHEREAS, the Redevelopment Agency of the City of Desert Hot Springs (the "Former Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (as amended, the "Redevelopment Law"); and

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued the following outstanding series of bonds:

(i) \$7,025,000 initial principal amount Redevelopment Agency of the City of Desert Hot Springs Merged Redevelopment Project Tax Allocation Refunding Bonds, Series 2006 (the "2006 Bonds"), issued pursuant to the Indenture, dated as of August 1, 2006 (the "2006 Indenture"), by and between the Agency and U.S. Bank National Association, as trustee;

(ii) \$15,870,000 initial principal amount Redevelopment Agency of the City of Desert Hot Springs Merged Redevelopment Project Tax Allocation Bonds, Series 2008A-2 issued pursuant to the 2006 Indenture and a First Supplemental Indenture, dated as of April 1, 2008 (the "First Supplement"); and

WHEREAS, the 2006 Indenture, as amended and supplemented, is referred to herein as the "Prior Indenture"; and

WHEREAS, the Successor Agency has determined to defease and redeem the 2006 Bonds and the 2008A-2 Bonds (the "Refunded Bonds"); and

WHEREAS, Assembly Bill X1 26, effective June 29, 2011, together with AB 1484, effective June 27, 2012 ("AB 1484"), codified Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code, and resulted in the dissolution of the Former Agency as of February 1, 2012, and the vesting in the Successor Agency of all of the authority, rights, powers, duties and obligations of the Former Agency; and

WHEREAS, the Successor Agency has authorized the issuance of the Refunding Bonds and determined to use the proceeds of the Refunding Bonds to defease and redeem, in advance of their stated maturities, the Refunded Bonds; and

WHEREAS, the Successor Agency wishes to enter into this Agreement to provide for the proceeds of sale of the Refunding Bonds, together with other funds held by the Escrow Agent, in its capacity as trustee for the Refunded Bonds, to be deposited in an irrevocable special escrow fund created and maintained with the Escrow Agent for the purpose of providing for the defeasance and redemption in full of the outstanding Refunded Bonds; and

WHEREAS, the Escrow Agent has full powers to act with respect to said escrow fund and to perform the duties and obligations to be undertaken pursuant to this Agreement;

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises hereinafter set forth and for other valuable consideration, the Successor Agency and the Escrow Agent agree as follows:

Section 1. Establishment of Escrow Fund; Deposit of Funds. The Successor Agency hereby appoints the Escrow Agent to act as escrow agent for purposes of administering the funds required to defease and redeem the Refunded Bonds in accordance with the Prior Indenture. A special fund to be named the "Escrow Fund" is hereby established by the Successor Agency with the Escrow Agent as an irrevocable escrow to be maintained by the Escrow Agent in trust.

(a) Bond Proceeds; Funds Related to Refunded Bonds. The Escrow Agent shall deposit in the Escrow Fund (A) on the date of issuance of the Refunding Bonds, certain proceeds of the Refunding Bonds (in the amount of \$\_\_\_\_\_) transferred to it by Wells Fargo Bank National Association, as trustee of the Refunding Bonds (in such capacity, the "Refunding Bonds Trustee") and (B) on the date of issuance of the Refunding Bonds, certain other funds related to the Refunded Bonds in the amount of \$\_\_\_\_\_ (all as set forth in Exhibit A hereto) transferred to it by U.S. Bank National Association, in its capacity as trustee of the Refunded Bonds (in such capacity, the "Refunded Bonds Trustee"). The Refunded Bonds Trustee is hereby directed by the Successor Agency to transfer such amounts held by it as set forth in such Exhibit A to the Escrow Agent for deposit in the Escrow Fund.

(b) Remaining Funds. The Refunded Bonds Trustee is further directed to transfer any balance of funds held by it with respect to the Refunded Bonds together with any interest earnings received with respect thereto received on and after the date of delivery of the Refunding Bonds to the Refunding Bonds Trustee for deposit into the Interest Account for the Refunding Bonds.

(c) Insufficiency of Funds. If at any time the Escrow Agent shall receive actual knowledge that the moneys in the Escrow Fund will not be sufficient to make any payment required hereunder, the Escrow Agent shall notify the Successor Agency of such fact and the Successor Agency shall promptly cure such deficiency. The Escrow Agent shall not be liable for any such deficiency.

Section 3. Investment of Amounts in Escrow Fund. The Escrow Agent shall use \$\_\_\_\_\_ of the moneys in the Escrow Fund to purchase the securities listed on Exhibit E hereto and shall hold \$\_\_\_\_\_ uninvested.

Section 4. Application of Amounts in Escrow Fund. The Escrow Agent is hereby instructed to withdraw from the Escrow Fund and transfer to the Refunded Bonds Trustee an amount required to pay the principal of and interest and redemption premium on the Refunded Bonds, in accordance with the schedule attached as Exhibit B hereto.

Section 5. Notice of Refunding; Notice of Defeasance. The Refunded Bonds Trustee was previously instructed to mail pursuant to the applicable Prior Indenture, and with respect to the proposed redemption of the Refunded Bonds on the dates specified in Exhibit B, a notice of redemption to the owners of the Refunded Bonds and any other parties required pursuant to the Prior Indenture substantially in the forms attached hereto as Exhibit C-1 through C-3. The Escrow Agent is hereby instructed to mail pursuant to the applicable Prior Indenture, and with respect to the proposed redemption of the 2006A Bonds and 2006B Bonds on the dates specified in Exhibit B, a notice of redemption to the owners of the Refunded Bonds and any other parties required pursuant to the Prior Indenture substantially in the forms attached hereto as Exhibit C. The Escrow Agent is hereby instructed to file on the Closing Date the notices attached hereto as Exhibit D on the Municipal Securities Rulemaking Board's EMMA System.

Section 6. Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money accruing to the Escrow Agent hereunder, and such books shall be available for inspection at reasonable hours and under reasonable conditions with reasonable prior notice by the owners of the Refunded Bonds and the Refunding Bonds.

Section 7. Proper Filings. The Successor Agency will, at its expense, execute, acknowledge, deliver or file this Agreement and assignments, transfers, financing statements, continuation statements, and assurances required for the better assuring, conveying, pledging, assigning and confirming unto the Escrow Agent, the moneys hereby pledged, or intended so to be or which the Successor Agency may be or may hereafter become bound to pledge, convey or assign to the Escrow Agent or for carrying out the intention or facilitating the performance of the terms of this Agreement.

Section 8. Discharge. The covenants, liens and pledges entered into, created or imposed pursuant to this Agreement shall be fully discharged, and satisfied when all of the Refunded Bonds shall have been paid in full, as to principal, premium and interest. Upon such discharge and satisfaction this Agreement shall cease, terminate and become null and void, and thereupon the Escrow Agent shall, upon the written request of the Successor Agency, forthwith execute proper instruments acknowledging satisfaction and discharge of this Agreement.

Section 9. Termination; Unclaimed Funds. Notwithstanding any other provision of this Agreement any money held by the Refunded Bonds Trustee for the payment of the principal of, premium and interest on the Refunded Bonds and remaining unclaimed for two (2) years after the principal of all of the Refunded Bonds shall have been called for redemption and after the date of redemption shall then be repaid to the Successor Agency upon its written request, and the registered owners of the Refunded Bonds shall thereafter be entitled to look only to the Successor Agency for the repayment thereof, and liability of the Escrow Agent with respect to such money shall thereupon cease. In the event of the repayment of any such money to the Successor Agency as aforesaid, the registered owners of the Refunded Bonds secured hereby with respect to which such money was deposited shall thereafter be deemed to be unsecured creditors of the Successor Agency, without interest. Notwithstanding the foregoing the Escrow Agent shall, upon the written request of the Successor Agency repay such money to the Successor Agency at any time earlier than two (2) years, if failure to repay such money to the Successor Agency, within such earlier period shall give rise to the operation of any escheat statute under applicable State law. Any unclaimed funds repaid to the Successor Agency with

respect to the Refunded Bonds shall be placed by the Successor Agency in the Debt Service Fund for the Refunding Bonds and used for credit on debt service on the Refunding Bonds.

Section 10. No Implied Duties; No Rights to Others. Nothing in this Agreement expressed or implied is intended or shall be construed to give to any person other than the Successor Agency, the Escrow Agent, the Refunded Bonds Trustee and the registered owners of the Refunded Bonds, any legal or equitable right, remedy or claim under or in respect to this Agreement or any covenants, conditions or provisions therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Successor Agency, the Escrow Agent and the Owners of the Refunded Bonds. The Escrow Agent shall perform such duties and only such duties as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Escrow Agent.

Section 11. Immunities and Liabilities of Escrow Agent.

(A) The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. The Escrow Agent is not required to resolve conflicting demands to money or property in its possession under this Agreement.

(B) The Escrow Agent may consult with counsel of its own choice (which may be counsel to the Successor Agency) and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

(C) The Escrow Agent shall not be responsible for any of the recitals or representations contained herein or in the Resolution of Issuance.

(D) The Escrow Agent may become the owner of, or acquire any interest in, any of the Refunded Bonds with the same rights that it would have if it were not the Escrow Agent, and may engage or be interested in any financial or other transaction with the Successor Agency.

(E) The Escrow Agent shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys deposited with it to pay the principal, interest or premiums, if any, on the Refunded Bonds and shall not be liable for any insufficiency of such moneys and securities to affect such payment.

(F) The Escrow Agent shall not be liable for any action or omission of the Successor Agency under this Agreement or the Resolution of Issuance.

(G) Whenever in the administration of this Agreement the Escrow Agent shall deem it necessary or desirable that a matter be proved or established before taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate of an authorized official of the Successor Agency, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered by it under the provisions of this Agreement upon the faith thereof.

(H) The Escrow Agent may at any time resign by giving written notice to the Successor Agency of such resignation. The Successor Agency shall promptly appoint a successor Escrow Agent by the resignation date. Resignation of the Escrow Agent will be effective only upon acceptance of appointment by a successor Escrow Agent. If the Successor Agency does not appoint a successor, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Agent. After receiving a notice of resignation of an Escrow Agent, the Successor Agency may appoint a temporary Escrow Agent to replace the resigning Escrow Agent until the Successor Agency appoints a successor Escrow Agent. Any such temporary Escrow Agent so appointed by the Successor Agency, shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

(I) The Successor Agency agrees to indemnify the Escrow Agent, its agents and its officers or employees for and to hold the Escrow Agent, its agents, officers or employees harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable fees and disbursements of counsel, including in-house counsel, for the Escrow Agent) which may be imposed on, incurred by, or asserted against the Escrow Agent at any time by reason of the performance of its duties as Escrow Agent hereunder and under the Resolution of Issuance, in any transaction arising out of this Agreement or the Bond Resolution or any of the transactions contemplated herein or in the Resolution of Issuance, unless due to the Escrow Agent's or its officers' or employees' or agents' negligence or willful misconduct. Such indemnity shall survive the termination of this Agreement or resignation or removal of the Escrow Agent.

(J) All notices, certificates or other communications hereunder with the Escrow Agent shall be addressed to the Escrow Agent at:

U.S. Bank National Association  
Global Corporate Trust Services  
LM-CA-T24T  
644 W. Fifth Street, 24th Floor  
Los Angeles, California 90071  
Reference: Successor Agency to the Redevelopment Agency City of  
Desert Hot Springs 2017 Escrows

*Section 12. Waiver of Notice.* Whenever in this Agreement the giving of notice by mail or otherwise shall be required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

*Section 13. Fees.* The Escrow Agent's fees, expenses and reimbursement for costs incurred, for and in carrying out the provisions of this Agreement have been fixed by separate agreement. The Escrow Agent shall also be entitled to additional fees, expenses and reimbursement for costs incurred in connection with the performance of its duties and exercise of its powers hereunder, including but not limited to legal and accounting services, in connection

with any litigation which may at any time be instituted involving this Agreement. The fees incurred by the Escrow Agent shall in no event be deducted from the Escrow Fund.

*Section 14. Severability.* In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provisions has never been contained herein.

*Section 15. Counterparts.* This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and such counterparts, or as many of them as the Agency and the Escrow Agent shall preserve undestroyed, shall together constitute but one and the same instrument.

*Section 16. Business Days.* Whenever any act is required by this Agreement to be done on a specified day or date, and such day or date shall be a day other than a business day, then such act may be done on the next succeeding business day.

*Section 17. California Law.* This Agreement shall be governed exclusively by and interpreted in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, the Successor Agency and the Escrow Agent have each caused this Agreement to be executed by the duly authorized officers thereof as of the date first above written.

SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE  
CITY OF DESERT HOT SPRINGS

By: \_\_\_\_\_  
City Manager

U.S. BANK NATIONAL ASSOCIATION,  
*as Escrow Agent*

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

**ACKNOWLEDGEMENT OF U.S. BANK NATIONAL ASSOCIATION,  
AS REFUNDED BONDS TRUSTEE**

U.S. Bank National Association, as Refunded Bonds Trustee, hereby acknowledges the provisions of this Agreement and, to the extent such provisions are applicable, U.S. Bank National Association, in its capacity as Refunded Bonds Trustee, agrees to comply therewith.

U.S. BANK NATIONAL ASSOCIATION,  
*as Refunded Bonds Trustee*

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



**EXHIBIT A**

**FUNDS TRANSFERRED BY REFUNDED BONDS TRUSTEE  
TO  
ESCROW FUND**

**2006 Bonds**

	Fund	Amount
	Debt Service Fund	\$
Total		\$

**2008A-2 Bonds**

	Fund	Amount
	_____ Fund	
	Interest Fund	
	Principal Fund	
Total		

<b>Total Funds Transferred</b>	<b>\$</b>
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**EXHIBIT B**

**PAYMENT AND REDEMPTION SCHEDULE OF REFUNDED BONDS**

<b>2006 Bonds</b>				
Payment Date	Interest	Maturing Principal	Principal Redeemed	Total
___/___/17	\$	\$	\$	\$

<b>2008A-2 Bonds</b>				
Payment Date	Interest	Maturing Principal	Principal Redeemed	Total
9/1/18	\$	\$	\$	\$

## EXHIBIT C-1

### FORM OF CONDITIONAL NOTICE OF FULL OPTIONAL REDEMPTION

**\$7,025,000**

**Redevelopment Agency of the City of Desert Hot Springs  
Merged Redevelopment Project  
Tax Allocation Refunding Bonds, Series 2006**

**Date of Issuance: August 23, 2006**

<u>Maturity Date</u>	<u>Outstanding Principal Amount</u>	<u>Interest Rate</u>	<u>*CUSIP No.</u>
01-Sep-2017	\$625,000	4.000%	250419DL9
01-Sep-2018	645,000	4.000	250419DM7
01-Sep-2019	665,000	4.125	250419DN5
01-Sep-2020	80,000	4.250	250419DP0
01-Sep-2021	10,000	4.250	250419DQ8

NOTICE IS HEREBY GIVEN by the Successor Agency to the Redevelopment Agency of the City of Desert Hot Springs (the "Successor Agency") that all of the above described bonds (the "Bonds") have been called for optional redemption on \_\_\_\_\_, 2017 (the "Redemption Date") pursuant to Section \_\_\_\_\_ of the Indenture, dated as of August 1, 2006 ("the "Indenture"), by and between the Agency and U.S. Bank National Association, as trustee (the "Trustee"), at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium (the "Redemption Price"). Interest will not accrue on the Bonds after the redemption date.

[[Redemption of the Bonds as described in this notice shall be conditioned upon the receipt by the Trustee of the proceeds of the sale and delivery of the Successor Agency to the Redevelopment Agency of the City of Desert Hot Springs 2017 Subordinate Tax Allocation Refunding Bonds in an amount sufficient for such redemption on or before the Redemption Date.]]

[[In the event such funds are not received by the Redemption Date, this notice shall be null and void and of no force and effect. The Bonds delivered for redemption shall be returned to the respective owners thereof, and said Bonds shall remain outstanding as though this notice of conditional redemption had not been given. Notice of a failure to receive funds, and cancellation of this redemption, shall be given by the Trustee by first class mail, postage prepaid, to the registered owners of the Bonds.]]

Payment of the Redemption Price on the Bonds called for redemption will be paid without presentation of the Bonds if presentment is not required and upon presentation of the Bonds if presentment is required. If presentment is required, surrender thereof can be made in the following manner:

**If by Hand or Overnight Mail:**

U. S. Bank  
Corporate Trust Services  
111 Fillmore Ave E  
St. Paul, MN 55107

Bondholders presenting their bonds for the same day payment must surrender their bond no later than 1:00 P.M. CST on the Redemption Date and a check will be available for pickup after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. will be mailed out to the bondholder via first class mail. If

payment of the Redemption Price is to be made to the registered owner of the Bond you are not required to endorse the Bond to collect the Redemption Price.

#### **REQUIREMENT INFORMATION**

For a list of redemption requirements please visit our website at **[www.usbank.com/corporatetrust](http://www.usbank.com/corporatetrust)** and click on the “**Bondholder Information**” link.

#### **IMPORTANT NOTICE**

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the “Act”), 28% will be withheld if tax identification number is not properly certified.

*\*The Undersigned shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Redemption Notice. It is included solely for the convenience of the Holders.*

**Dated: \_\_\_\_\_, 2017**

**U.S. Bank National Association,  
as Trustee**

## EXHIBIT C-2

### FORM OF NOTICE OF FULL OPTIONAL REDEMPTION

**\$15,870,000**  
**Redevelopment Agency of the City of Desert Hot Springs**  
**Merged Redevelopment Project**  
**Tax Allocation Bonds, Series 2008A-2**

**Date of Issuance: April 30, 2008**

<u>Maturity Date</u>	<u>Outstanding Principal Amount</u>	<u>Interest Rate</u>	<u>*CUSIP No.</u>
01-Sep-2023	\$	5.000%	250419DT2
01-Sep-2028		5.250	250419DU9
01-Sep-2038		5.750	250419DV7
01-Sep-2038		5.600	250419DW5

NOTICE IS HEREBY GIVEN by the Successor Agency to the Redevelopment Agency of the City of Desert Hot Springs (the "Successor Agency") that all of the above described bonds (the "Bonds") have been called for optional redemption on September 1, 2018 (the "Redemption Date") pursuant to Section \_\_\_\_\_ of the Indenture, dated as of August 1, 2006, by and between the Agency and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented and amended by a First Supplemental to Indenture of Trust, dated as of April 1, 2008 ("collectively, the "Indenture"), at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium (the "Redemption Price"). Interest will not accrue on the Bonds after the redemption date.

Payment of the Redemption Price on the Bonds called for redemption will be paid without presentation of the Bonds if presentment is not required and upon presentation of the Bonds if presentment is required. If presentment is required, surrender thereof can be made in the following manner:

**If by Hand or Overnight Mail:**

U. S. Bank  
Corporate Trust Services  
111 Fillmore Ave E  
St. Paul, MN 55107

Bondholders presenting their bonds for the same day payment must surrender their bond no later than 1:00 P.M. CST on the Redemption Date and a check will be available for pickup after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond you are not required to endorse the Bond to collect the Redemption Price.

**REQUIREMENT INFORMATION**

For a list of redemption requirements please visit our website at [www.usbank.com/corporatetrust](http://www.usbank.com/corporatetrust) and click on the "Bondholder Information" link.

**IMPORTANT NOTICE**

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), 28% will be withheld if tax identification number is not properly certified.

*\*The Undersigned shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Redemption Notice. It is included solely for the convenience of the Holders.*

**Dated: \_\_\_\_\_, 2017**

**U.S. Bank National Association,  
as Trustee**

**EXHIBIT D-1**

**FORM OF NOTICE OF DEFEASANCE**

**\$7,025,000**

**Redevelopment Agency of the City of Desert Hot Springs  
Merged Redevelopment Project  
Tax Allocation Refunding Bonds, Series 2006**

**Date of Issuance: August 23, 2006**

<u>Maturity Date</u>	Outstanding	<u>Interest Rate</u>	<u>*CUSIP No.</u>
	Principal <u>Amount</u>		
01-Sep-2017	\$625,000	4.000%	250419DL9
01-Sep-2018	645,000	4.000	250419DM7
01-Sep-2019	665,000	4.125	250419DN5
01-Sep-2020	80,000	4.250	250419DP0
01-Sep-2021	10,000	4.250	250419DQ8

NOTICE IS HEREBY GIVEN, by the Successor Agency to the Redevelopment Agency of the City of Desert Hot Springs (the "Successor Agency") with respect to the above captioned bonds (the "Bonds"), that the Bonds (the "Refunded Bonds") have been defeased and discharged under and within the meaning of the Indenture authorizing the issuance of the Bonds. Funds for the payment of the Refunded Bonds have been deposited with U.S. Bank National Association, as escrow agent ("Escrow Agent"). As a consequence of the foregoing actions and in accordance with the Indenture, the Refunded Bonds are no longer secured by a pledge of revenues under the Indenture, and the Refunded Bonds are now payable solely from the moneys set aside in escrow as described above and, if necessary, from other legally available funds of the Successor Agency.

The Successor Agency has irrevocably elected to redeem all of the outstanding Refunded Bonds on \_\_\_\_\_, 2017, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

The Successor Agency and the Escrow Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

**Dated: \_\_\_\_\_, 2017**

**U.S. Bank National Association,  
as Escrow Agent**

**EXHIBIT D-2**

## FORM OF NOTICE OF DEFEASANCE

**\$15,870,000**  
**Redevelopment Agency of the City of Desert Hot Springs**  
**Merged Redevelopment Project**  
**Tax Allocation Bonds, Series 2008A-2**

**Date of Issuance: April 30, 2008**

<u>Maturity Date</u>	Outstanding Principal <u>Amount</u>	<u>Interest Rate</u>	<u>*CUSIP No.</u>
01-Sep-2023	\$	5.000%	250419DT2
01-Sep-2028		5.250	250419DU9
01-Sep-2038		5.750	250419DV7
01-Sep-2038		5.600	250419DW5

NOTICE IS HEREBY GIVEN, by the Successor Agency to the Redevelopment Agency of the City of Desert Hot Springs (the "Successor Agency") with respect to the above captioned bonds (the "Bonds"), that the Bonds (the "Refunded Bonds") have been defeased and discharged under and within the meaning of the Indenture authorizing the issuance of the Bonds. Funds for the payment of the Refunded Bonds have been deposited with U.S. Bank National Association, as escrow agent ("Escrow Agent"). As a consequence of the foregoing actions and in accordance with the Indenture, the Refunded Bonds are no longer secured by a pledge of revenues under the Indenture, and the Refunded Bonds are now payable solely from the moneys set aside in escrow as described above and, if necessary, from other legally available funds of the Successor Agency.

The Successor Agency has irrevocably elected to redeem all of the outstanding Refunded Bonds on September 1, 2018, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

The Successor Agency and the Escrow Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

**Dated: \_\_\_\_\_, 2017**

**U.S. Bank National Association,  
as Escrow Agent**





## EXHIBIT E

### ESCROW SECURITIES

Purchase Date	Type Security	of Type	of SLGS	Maturity Date	First Interest Payment Date	Par Amount	Rate	Max Rate
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