

ESCROW AGREEMENT

by and between

CITY OF DESERT HOT SPRINGS

and

**WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee and Escrow Agent**

Dated as of _____ 1, 2020

relating to the

**CALIFORNIA COMMUNITIES TRANSPORTATION REVENUE
(INSTALLMENT SALE) CERTIFICATES OF PARTICIPATION, SERIES 2012A
(T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM)
Evidencing Proportionate Interests of the Owners Thereof
in 2012 Installment Sale Payments to be Received From
CITY OF DESERT HOT SPRINGS**

TABLE OF CONTENTS

	Page
	1
Section 2.	2
	3
	3
	3
Section 6.	4
	4
	4
	4
	5
	5
	6
	6
	6
EXHIBIT A FORM OF NOTICE OF PREPAYMENT IN FULL	A-1
EXHIBIT B FORM OF NOTICE OF DEFEASANCE	B-1
EXHIBIT C FORM OF ORDER OF THE AUTHORITY	C-1
EXHIBIT D FORM OF NOTICE OF DISCHARGE OF TRUST AGREEMENT	D-1

This **ESCROW AGREEMENT**, dated as of _____ 1, 2020 (the “**Escrow Agreement**”), between the CITY OF DESERT HOT SPRINGS, a municipal corporation duly organized and existing under its charter and the laws of the State of California (the “**City**”) and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States as trustee (the “**Trustee**”) with respect to the California Communities Transportation Revenue (Installment Sale) Certificates of Participation, Series 2012A (T.R.I.P. – Total Road Improvement Program) described below and acting in its capacity as escrow agent hereunder (the “**Escrow Agent**”), as acknowledged and accepted by the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California (the “**Authority**”);

WITNESSETH:

WHEREAS, the City is currently obligated to make certain payments with respect to the California Communities Transportation Revenue (Installment Sale) Certificates of Participation, Series 2012A (T.R.I.P. – Total Road Improvement Program) (the “**Series 2012 Certificates**”), delivered on February 8, 2012;

WHEREAS, the Series 2012 Certificates evidence and represent proportionate interests of the Owners thereof in installment payments to be paid by the Authority from installment payments received from the City pursuant to that 2012 Installment Sale Agreement, dated as of February 1, 2012, between the Authority and the City (the “**2012 Installment Sale Agreement**”);

WHEREAS, the Series 2012 Certificates were executed and delivered by Wells Fargo Bank, National Association, in the original aggregate principal amount of \$5,925,000 pursuant to that certain trust agreement, dated as of February 1, 2012 (the “**Series 2012 Trust Agreement**”), among the Authority, the City and the Trustee, evidencing and representing proportionate and undivided interests in 2012 Installment Sale Payments made by the City under the 2012 Installment Sale Agreement;

WHEREAS, the City has taken action to cause to be issued or delivered to the Escrow Agent for deposit in or credit to a special trust fund to be created hereunder to be known as the escrow fund to be maintained by the Escrow Agent (the “**Escrow Fund**”), certain Defeasance Obligations (as such term is defined in the Series 2012 Trust Agreement, and subject to Article VIII of the Series 2012 Trust Agreement), as listed on **Schedule I** attached hereto and made a part hereof (the “**Escrow Securities**”), in a total amount which, together with income or interest to accrue on such Escrow Securities and an initial cash deposit, has been verified in a report (the “**Verification Report**”) by [Verification Agent] (the “**Verification Agent**”) to be sufficient to pay when due (i) the interest and principal coming due with respect to the Series 2012 Certificates on and prior to June 1, 2022 (the “**Prepayment Date**”) and (ii) to prepay on the Prepayment Date the Series 2012 Certificates maturing on and after June 1, 2022 on the Prepayment Date at the principal evidenced and represented by the Certificates plus accrued interest to the Prepayment Date, without premium (the “**Prepayment Price**”);

NOW, THEREFORE, the City, the Trustee and the Escrow Agent hereby agree as follows:

Section 1. Establishment, Funding and Maintenance of Escrow Fund. (a) The Escrow Agent agrees to establish and maintain until all of the Series 2012 Certificates have been paid in full a fund designated as the “**Escrow Fund**,” and to hold the securities, investments and moneys therein at all times as a special and separate trust fund (wholly segregated from all other securities, investments or moneys on deposit with the Escrow Agent). All securities, investments and moneys in the Escrow Fund are hereby irrevocably pledged, subject to the provisions of Sections 2, 4 and 5 hereof, to secure the payment of the Series 2012 Certificates. This Escrow Agreement shall provide the requisite not less than

thirty (30) days prior written notice to the Authority and the Trustee in accordance with Section 3.03 of the 2012 Installment Sale Agreement describing prepayment of the Certificates and specifying the date on which the prepayment will be paid and the order thereof, which date shall be not less than thirty (30) days nor more than sixty (60) days from the date such notice is given.

(b) On _____, 20__, an amount equal to \$_____ was deposited in the Escrow Fund, \$_____ of which was derived from the proceeds of the sale of the Communities Development Authority Transportation Revenue (Installment Sale) Certificates of Participation, Series 2020__ (Federally Taxable) (T.R.I.P. – Total Road Improvement Program) (the “**Series 2020 Certificates**”), executed and delivered pursuant to the terms of a trust agreement, dated as of _____ 1, 2020 (the “**Series 2020 Trust Agreement**”), by and among the Authority, Wilmington Trust, National Association, as trustee thereunder (the “**Series 2020 Trustee**”), the City and certain other local agencies named therein [, if any], and \$_____ was transferred to the Escrow Agent and deposited in the Escrow Fund [from amounts released from the _____ fund/account under the Series 2012 Trust Agreement]. The Escrow Agent shall immediately apply \$_____ of such amount to acquire the Escrow Securities and shall hold the remainder of such amount of \$_____ uninvested.

Section 2. Investment of the Escrow Fund.

(a) The City and the Escrow Agent each shall take all remaining necessary action to have issued and registered in the name of the Escrow Agent, for the account of the Escrow Fund, the Escrow Securities listed on **Schedule I** attached hereto and shall hold in cash the amount of \$_____.

(b) Except as otherwise provided in this subsection and Section 5, the Escrow Agent shall not reinvest any cash portion of the Escrow Fund and shall hold such cash portion uninvested. The Escrow Agent shall, upon written request of the City, reinvest any cash portion of the Escrow Fund in (x) direct obligations of, and obligations on which the full and timely payment of principal and interest to unconditionally guaranteed by the full faith and credit of the United States of America, or (y) in Defeasance Obligations (as defined in the Series 2012 Trust Agreement and subject to Article VIII thereof), provided that in the case of (y) the Escrow Agent receives (i) an opinion of nationally recognized bond counsel to the effect that such reinvestment will not result in the inclusion of interest payable with respect to the Series 2012 Certificates in gross income for federal income tax purposes and (ii) a report of nationally recognized independent certified public accountants to the effect that such reinvestment will not adversely affect the sufficiency of the amount of securities, investments and moneys on deposit in the Escrow Fund to pay when due the principal and interest evidenced and represented by the Series 2012 Certificates to the Prepayment Date and to prepay the Series 2012 Certificates on the Prepayment Date at the Prepayment Price, together with interest accrued with respect thereto to the Prepayment Date. Any receipts on investments made pursuant to this Section in excess of the cost of such investments which are not needed for the defeasance and prepayment of the Series 2012 Certificates as shown in the Verification Report shall, [be transferred to the Local Agency Interest Payment Account established for the benefit of the City under the Series 2020 Trust Agreement][upon written request of the City, be remitted to the City free from the trust created by this Escrow Agreement to be applied to pay eligible costs payable from Revenues in accordance with the 2012 Installment Sale Agreement].

(c) The Escrow Agent shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

(d) The Escrow Agent acknowledges receipt of the Verification Report from the Verification Agent. The Escrow Agent may rely upon the conclusion of such report to the effect that the Escrow Securities described on **Schedule I** hereto mature and bear interest payable in such amounts and at such times as shall be necessary and sufficient to pay when due (i) the interest and principal coming due with

respect to the Series 2012 Certificates on and prior to the Prepayment Date and (ii) to prepay on the Prepayment Date the Series 2012 Certificates maturing on and after June 1, 2022 on the Prepayment Date at the Prepayment Price.

Section 3. Payment of the Series 2012 Certificates. (a) The City hereby requests and irrevocably instructs the Escrow Agent, and the Escrow Agent hereby agrees, to collect and deposit in the Escrow Fund the principal of and interest on all Escrow Securities held for the account of the Escrow Fund promptly as such principal and interest become due, and to apply, subject to the provisions of Sections 2, 4 and 5 hereof, such principal and interest, together with any other moneys and the principal of and interest on any other securities deposited in the Escrow Fund, to pay when due (i) the interest and principal coming due with respect to the Series 2012 Certificates on and prior to the Prepayment Date and (ii) to prepay on the Prepayment Date the Series 2012 Certificates maturing on and after June 1, 2022 on the Prepayment Date at the Prepayment Price, at the places and in the manner stipulated in the Series 2012 Trust Agreement, and to give notice of such prepayment in substantially the form attached hereto as **Exhibit A** to the parties, at the time and in the manner specified in the Series 2012 Trust Agreement. The City further requests and irrevocably instructs the Escrow Agent, in accordance with Section 3.03 of the 2012 Installment Sale Agreement, to prepay all of the 2012 Installment Sale Payments (as that term is defined under the 2012 Installment Sale Agreement) due under the 2012 Installment Sale Agreement through the application of moneys deposited hereunder.

(b) The parties acknowledge that the Authority has requested, directed and irrevocably instructed the Escrow Agent pursuant to the Order of the Authority, attached hereto as **Exhibit C**, to apply the moneys transferred to or deposited with the Escrow Agent pursuant hereto to the payment of (a) the Series 2012 Certificates to the Prepayment Date and to prepay the Series 2012 Certificates on the Prepayment Date at the Prepayment Price, together with interest accrued with respect thereto to the Prepayment Date, and the City hereby requests and irrevocably instructs the Escrow Agent to give notice of prepayment of the Series 2012 Certificates, in accordance with the provisions of the Series 2012 Trust Agreement.

The City hereby requests and irrevocably instructs the Escrow Agent, and the Escrow Agent hereby agrees, to post notice of defeasance of the Series 2012 Certificates in substantially the form attached hereto as **Exhibit B** in accordance with Article VIII of the Series 2012 Trust Agreement on or before ____ __, 2020.

Section 4. Transfer of Funds After Prepayment of Certificates. Subject to Section 8 hereof, the City hereby requests and irrevocably instructs the Escrow Agent, and the Escrow Agent hereby agrees, to transfer all remaining funds any money or securities remaining in the Escrow Fund after payment of the Prepayment Price [to the Local Agency Interest Payment Account established for the benefit of the City under the Series 2020 Trust Agreement][upon written request of the City, to the City free from the trust created by this Escrow Agreement to be applied to pay eligible costs payable from Revenues in accordance with the 2012 Installment Sale Agreement].

Section 5. Substitution of Securities. Except as provided in Sections 1, 2 and 4 hereof and in this Section, the Escrow Agent shall have no power or duty to invest any funds held under this Escrow Agreement or to sell, transfer or otherwise dispose of or make substitutions of the investments initially required to be made therewith. Upon the written request of the City, and subject to the conditions and limitations herein set forth and applicable governmental rules and regulations, the Escrow Agent shall sell, redeem or otherwise dispose of the Escrow Securities, provided that there are substituted therefor from the proceeds of the Escrow Securities other Defeasance Obligations (as defined in the Series 2012 Trust Agreement and subject to Article VIII thereof). The Escrow Agent shall purchase such substituted securities with the proceeds derived from the sale, transfer, disposition or redemption of the Escrow

Securities. The amounts realized from the disposition of the Escrow Securities and purchase of substitute securities, together with the earnings thereon not required by the Escrow Agent to fulfill its obligations hereunder, shall immediately be released to the City. The disposition and substitution may be effected only after the Escrow Agent receives (i) an opinion of nationally recognized bond counsel to the effect that such disposition and substitution will not result in the inclusion of interest payable with respect to the Series 2012 Certificates in gross income for federal income tax purposes and (ii) a report of nationally recognized independent certified public accountants to the effect that such disposition and substitution will not adversely affect the sufficiency of the amount of securities, investments and moneys on deposit in the Escrow Fund to pay the Series 2012 Certificates to the Prepayment Date and to prepay the Series 2012 Certificates on the Prepayment Date at the Prepayment Price, together with interest accrued with respect thereto to the Prepayment Date. The Escrow Agent shall not be liable or responsible for any loss resulting from any disposition or substitution made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

Section 6. Fees and Costs.

(a) The Escrow Agent's annual fees and costs for acting as Escrow Agent under this Escrow Agreement are to be agreed upon by the Escrow Agent and the City and paid by the City. The rights, duties and obligations of the Escrow Agent shall, except as otherwise expressly provided herein, be governed by the Series 2012 Trust Agreement. The annual fees and costs of the Escrow Agent for any other duties to be carried out by it under the Series 2012 Trust Agreement shall continue as previously agreed upon between the Escrow Agent and the City.

(b) The City agrees to indemnify and hold the Escrow Agent, its officers, employees, directors and agents harmless from and against any and all losses, costs, expenses, claims and liabilities whatsoever (including, without limitation, fees and expenses of attorneys) which may be imposed on, asserted against or incurred by the Escrow Agent related to or arising from the acceptance and performance by the Escrow Agent of its duties hereunder, unless due to the negligence or willful misconduct of the indemnified party.

(c) The obligations of the City under this Section shall survive the termination or discharge of this Escrow Agreement and the earlier removal or resignation of the Escrow Agent.

(d) The fees of and the costs incurred by the Escrow Agent shall in no event be deducted or payable from or constitute a lien against the Escrow Fund.

Section 7. Resignation of the Escrow Agent. The Escrow Agent may resign and be discharged of its duties hereunder if and at such time as the Escrow Agent shall resign or be discharged as Trustee under the Series 2012 Trust Agreement in accordance with the provisions of the Series 2012 Trust Agreement. Any successor Trustee under the Series 2012 Trust Agreement shall succeed as the Escrow Agent under this Escrow Agreement.

Section 8. Termination; Unclaimed Money. This Escrow Agreement shall terminate when the principal and interest evidenced and represented by the Certificates have been paid and any money remaining in the Escrow Fund shall be transferred pursuant to Section 4 hereof; provided, that money held by the Escrow Agent in the Escrow Fund for the payment and discharge of any of the Series 2012 Certificates which remains unclaimed shall be disposed of in accordance with the terms of the Series 2012 Trust Agreement.

Section 9. Capacity of Escrow Agent. The Escrow Agent is entering into this Escrow Agreement in its capacity as Trustee under the Series 2012 Trust Agreement and the protections,

immunities and limitations from liability afforded to the Trustee under the Series 2012 Trust Agreement (including, without limitation, as set forth in Section 5.01 and 5.02 thereof) shall be applicable to this Escrow Agreement and are incorporated by reference herein. Subject to the provisions of Sections 4, 5 and 8 hereof, moneys held by the Escrow Agent hereunder are to be held and applied for the payment of the Series 2012 Certificates in accordance with the Series 2012 Trust Agreement.

The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Escrow Agreement and no implied duties, covenants or obligations shall be read into this Escrow Agreement against the Escrow Agent. The Escrow Agent shall not have any liability hereunder except to the extent of its negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special, indirect or consequential damages. The Escrow Agent shall not be liable for any loss from any investment or substitution of Escrow Securities made by it in accordance with the terms of this Escrow Agreement. The Escrow Agent shall not be liable for the recitals or representations contained in this Escrow Agreement and shall not be responsible for the validity of this Escrow Agreement, the sufficiency of the Escrow Fund or the moneys and Escrow Securities or any substitute Escrow Securities to pay the principal, interest and premium on the Series 2012 Certificates.

Any bank, corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Agent shall be the successor of the Escrow Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the City elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 10. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 11. Amendment. (a) The parties hereto may, without the consent of or notice to the holders of the unpaid Certificates, enter into such agreements supplemental to this Escrow Agreement as shall not materially, adversely affect the rights of such holders hereunder and shall not be inconsistent with the terms and provisions of this Escrow Agreement, for any one or both of the following purposes:

(1) to cure any ambiguity or formal defect or omission in this Escrow Agreement;
and

(2) to grant or confer upon the Escrow Agent for the benefit of the holders of the Series 2012 Certificates, any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Escrow Agent.

(b) The Escrow Agent shall enter into such agreements only upon receipt of, and shall be entitled to rely conclusively upon, an opinion of nationally recognized bond counsel to the effect that any such agreement complies with this Section 11, and does not materially adversely affect the rights of the holders of the Series 2012 Certificates.

Section 12. Execution of Counterparts. This Escrow Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 13. Notice to the Escrow Agent and the City. Any notice to or demand upon the Escrow Agent may be served or presented, and such demand may be made, at the corporate trust office of the Escrow Agent at Wells Fargo Bank, National Association, 333 South Grand Ave., 5th floor,| Los Angeles, CA 90071, Attention: Corporate Trust Department, or as otherwise specified by the Escrow Agent in accordance with the provisions of the Series 2012 Trust Agreement. Any notice to or demand upon the City shall be deemed to have been sufficiently given or served for all purposes by being mailed by certified or registered mail, and deposited, postage prepaid, in a post office letter box, addressed to the City at City of Desert Hot Springs, 65950 Pierson Boulevard, Desert Hot Springs, California 92240, Attention: _____ (or at such other address as may have been filed in writing by the City with the Escrow Agent).

Section 14. Governing Law. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, CITY OF DESERT HOT SPRINGS has caused this Escrow Agreement to be signed by its duly authorized representative and WELLS FARGO BANK, NATIONAL ASSOCIATION has caused this Escrow Agreement to be signed in its name by its duly authorized representative all as of the day and year first above written.

CITY OF DESERT HOT SPRINGS

By: _____
Authorized Representative

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee and Escrow Agent

By: _____
Authorized Representative

ACKNOWLEDGED AND ACCEPTED:

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By _____
Authorized Representative

SCHEDULE I

ESCROW SECURITIES

[Tables __ and __ from Verification Report]
(attached below)

EXHIBIT A

FORM OF NOTICE OF PREPAYMENT IN FULL

NOTICE OF PREPAYMENT IN FULL

**CALIFORNIA COMMUNITIES TRANSPORTATION REVENUE
(INSTALLMENT SALE) CERTIFICATES OF PARTICIPATION, SERIES 2012A
(T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM)**

Date of Delivery: February 8, 2012

NOTICE IS HEREBY GIVEN by Wells Fargo Bank, National Association, as trustee (the “Trustee”), for and on behalf of the California Statewide Communities Development Authority (the “Authority”) and City of Desert Hot Springs (the “City”), that the California Communities Transportation Revenue (Installment Sale) Certificates of Participation, Series 2012A (T.R.I.P. – Total Road Improvement Program) specified in the table below (the “Certificates”) evidencing and representing 2012 Installment Sale Payments by the City are subject to optional prepayment on June 1, 2022 (the “Prepayment Date”). The Certificates will be prepaid at a price equal to 100% of the principal evidenced and represented by the Certificates plus accrued interest to the Prepayment Date, without premium (the “Prepayment Price”). The Certificates were originally executed and delivered on February 8, 2012, pursuant to a trust agreement, dated as of February 1, 2012 (the “Trust Agreement”), among the Authority, the City and the Trustee. On the Prepayment Date there will become due and payable on each of the Certificates the Prepayment Price represented thereby, together with interest accrued with respect thereto to the Prepayment Date, and from and after such Prepayment Date, interest thereon shall cease to accrue. The Certificates to be prepaid are as follows:

<u>Maturing (June 1)</u>	<u>Principal Component</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2023	\$ 145,000	3.500%	13012C AL6
2030	1,190,000	4.300	13012C AM4
2042	3,345,000	5.000	13012C AN2

[The Certificates are required to be surrendered at the addresses of the Trustee specified below. Payment of the Certificates called for prepayment will be made upon presentation and surrender of said Certificates as follows:

First Class/Registered/Certified

By Hand Only

Express Delivery Only

Additional information regarding the foregoing actions may be obtained from Wells Fargo Bank, National Association, Corporate Trust Department, Bondholder Relations, telephone number _____.]

[Under the provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the “Act”), paying agents making payments of interest or principal on municipal securities may be obligated to

withhold a 24% tax from remittance to individuals who have failed to furnish the paying agent with a certified and valid taxpayer identification number. Owners of the Certificates who wish to avoid the imposition of the tax should submit certified taxpayer identification numbers when presenting the Certificates for payment.]

[Under the Tax Cuts and Jobs Act of 2017 (the “Act”), 24% will be withheld if tax identification number is not properly certified.]

Capitalized terms used but undefined herein shall have the meaning given such terms in the Trust Agreement.

** None of the Authority, the City or the Trustee shall be held responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness indicated in this Prepayment Notice, which are included solely for the convenience of the Owners.*

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

EXHIBIT B

FORM OF NOTICE OF DEFEASANCE

NOTICE OF DEFEASANCE

**CALIFORNIA COMMUNITIES TRANSPORTATION REVENUE
(INSTALLMENT SALE) CERTIFICATES OF PARTICIPATION, SERIES 2012A
(T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM)**

Date of Delivery: February 8, 2012

NOTICE IS HEREBY GIVEN by Wells Fargo Bank, National Association, as trustee (the “Trustee”), for and on behalf of the California Statewide Communities Development Authority (the “Authority”) and the City of Desert Hot Springs (the “City”), that the California Communities Transportation Revenue (Installment Sale) Certificates of Participation, Series 2012A (T.R.I.P. – Total Road Improvement Program) specified in the table below (the “Certificates”) evidencing and representing 2012 Installment Sale Payments by the City have been defeased through a deposit of certain Defeasance Obligations (as such term is defined in the Trust Agreement (as defined below) pursuant to which the Certificates were executed and delivered) (the “Escrow Securities”), in a total amount which, together with income or interest to accrue on such Escrow Securities and an initial cash deposit, has been verified in a report by [Verification Agent] to be sufficient to pay when due the interest and principal coming due with respect to the Certificates prior to June 1, 2022 (the “Prepayment Date”) and to prepay the Certificates on the Prepayment Date at the principal evidenced and represented by the Certificates plus accrued interest to the Prepayment Date, without premium. The Certificates were originally executed and delivered on February 8, 2012, pursuant to a trust agreement, dated as of February 1, 2012 (the “Trust Agreement”), among the Authority, the City and the Trustee. The Certificates defeased are as follows:

<u>Maturing (June 1)</u>	<u>Principal Component</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2021	\$ 135,000	3.125%	13012C AJ1
2022	140,000	3.500	13012C AK8
2023	145,000	3.500	13012C AL6
2030	1,190,000	4.300	13012C AM4
2042	3,345,000	5.000	13012C AN2

In accordance with the Trust Agreement, the Certificates have been defeased through the irrevocable deposit of cash and federal securities into the escrow fund for such Certificates (the “Escrow Fund”). The Escrow Fund has been established and is being maintained pursuant to that certain Escrow Agreement, dated as of _____ 1, 2020, by and between the City and Wells Fargo Bank, National Association, as Trustee and Escrow Agent thereunder, and acknowledged and accepted by the California Statewide Communities Development Authority (the “Authority”). As a result of such deposit, the Owners of such Certificates cease to be entitled to the pledge of and charge and lien upon the Revenues as provided in the Trust Agreement [and, if such payment shall pay the Certificates in full on the maturity or prepayment date,][and] all agreements, covenants and other obligations of the Authority and the City to the Owners of the Certificates under the Trust Agreement, and the right, title and interest of the Authority in the 2012 Installment Sale Agreement and the obligations of the City under the 2012 Installment Sale Agreement, has ceased, terminated and become void and be discharged and satisfied. The pledge of the funds provided for under the Trust Agreement and all other obligations of the Authority and the City to

the Owners and beneficial owners of the Certificates shall hereafter be limited to the application of moneys in the Escrow Fund for the payment and prepayment of the Certificates.

On the Prepayment Date there will become due and payable on each of the Certificates the Prepayment Price represented thereby, together with interest accrued with respect thereto to the Prepayment Date, and from and after such Prepayment Date, interest thereon shall cease to accrue.

The filing of this notice does not constitute or imply any representation regarding any other financial or operating information about the Authority or the City or any representation that no other circumstances or events have occurred which may have a bearing on the Authority's or the City's financial condition or an investor's decision to buy, sell or hold any certificates, bonds or other obligations that relate to the Authority or the City.

Capitalized terms used but undefined herein shall have the meaning given such terms in the Trust Agreement.

** None of the Authority, the City or the Trustee shall be held responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness indicated in this Defeasance Notice, which are included solely for the convenience of the Owners.*

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

EXHIBIT C

FORM OF ORDER OF THE AUTHORITY

**CALIFORNIA COMMUNITIES TRANSPORTATION REVENUE (INSTALLMENT SALE)
CERTIFICATES OF PARTICIPATION, SERIES 2012A
(T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM)**

ORDER OF THE AUTHORITY

TO: WELLS FARGO BANK, NATIONAL ASSOCIATION, as escrow agent (the “Escrow Agent”) under the Escrow Agreement, dated as of _____ 1, 2020 (the “Escrow Agreement”), by and between City of Desert Hot Springs (the “City”) and the Escrow Agent, and as trustee (the “Trustee”) under the trust agreement, dated as of February 1, 2012 (the “Series 2012 Trust Agreement”), among the California Statewide Communities Development Authority (the “Authority”), the City and the Trustee.

In accordance with Sections 2.03 and 8.01 of the Series 2012 Trust Agreement, the Authority hereby authorizes, directs and irrevocably instructs you to prepay the Certificates as set forth in the Escrow Agreement and to apply the moneys and proceeds of securities transferred to or deposited with you as Escrow Agent pursuant to the Escrow Agreement to the payment of the principal or Prepayment Price and interest with respect to the California Communities Transportation Revenue (Installment Sale) Certificates of Participation, Series 2012A (T.R.I.P. – Total Road Improvement Program).

The Authority has caused to be delivered to the Insurer (as defined in the Series 2012 Trust Agreement) and the Trustee: (i) a report of an Independent Certified Public Accountant or such other accountant as shall be acceptable to the Insurer verifying the sufficiency of the escrow established to pay the Certificates in full on the maturity or prepayment date, (ii) an escrow deposit agreement or refunding instructions and agreement (in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Certificates are no longer “Outstanding” under the Series 2012 Trust Agreement, and (iv) a certificate of discharge of the Trustee with respect to the Certificates.

The Authority makes no representation hereby as to compliance with the requirements of the Series 2012 Trust Agreement or the Agreement as defined therein.

Capitalized terms used but not defined in this certificate shall have the meanings ascribed thereto in the Series 2012 Trust Agreement.

Dated: _____, 20__.

**THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT
AUTHORITY**

By: _____
Authorized Officer

EXHIBIT D

FORM OF NOTICE OF DISCHARGE OF TRUST AGREEMENT

**CALIFORNIA COMMUNITIES TRANSPORTATION REVENUE (INSTALLMENT SALE)
CERTIFICATES OF PARTICIPATION, SERIES 2012A
(T.R.I.P. – TOTAL ROAD IMPROVEMENT PROGRAM)**

CERTIFICATE OF RELEASE AND SATISFACTION REGARDING TRUST AGREEMENT

The undersigned, an authorized officer of Wells Fargo Bank, National Association, DOES HEREBY CERTIFY as follows:

1. In accordance with the provisions of that certain Trust Agreement, dated as of February 1, 2012 (the “Trust Agreement”), by and between the California Statewide Communities Development Authority (the “Authority”) and Wells Fargo Bank, National Association, as trustee (the “Trustee”), the Trustee executed and delivered the California Communities Transportation Revenue (Installment Sale) Certificates of Participation, Series 2012A (T.R.I.P. – Total Road Improvement Program) evidencing principal in \$5,925,000 aggregate principal amount, of which \$4,955,000 principal amount is currently outstanding (the “Certificates”) evidencing and representing proportionate and undivided interests in 2012 Installment Sale Payments made by the City of Desert Hot Springs (the “City”) under the 2012 Installment Sale Agreement, dated as of February 1, 2012, between the Authority and the City (the “2012 Installment Sale Agreement”).

2. Section 8.02 of the Trust Agreement provides that the Trust Agreement and the pledge of Revenues and other assets made thereunder and all covenants, agreements and other obligations of the Authority and the City with respect to the Certificates under the Trust Agreement shall cease as provided thereunder upon the deposit with the Trustee, in trust, of money or securities in the amount necessary as provided in the Trust Agreement.

3. Wells Fargo Bank, National Association, as Trustee, is further acting as Escrow Agent as defined in the Escrow Agreement, dated as of _____ 1, 2020 (the “Escrow Agreement”), between the City and Wells Fargo Bank, National Association, as Trustee and acting in its capacity as escrow agent thereunder (the “Escrow Agent”), and acknowledged and accepted by the Authority, with respect to the Certificates.

4. The Trustee hereby certifies that is has received written direction of the City with respect to prepayment of the 2012 Installment Sale Payments under the 2012 Installment Sale Agreement at a prepayment price equal to the principal amount of the outstanding 2012 Certificates plus accrued interest to the date of prepayment. The Escrow Agent, on the date hereof, hereby certifies that it has received the amount of \$_____, constituting a portion of the proceeds of the Communities Development Authority Transportation Revenue (Installment Sale) Certificates of Participation, Series 2020__ (Federally Taxable) (T.R.I.P. – Total Road Improvement Program), the receipt of which is hereby acknowledged, and said amount has been deposited on the date hereof in the Escrow Fund established pursuant to the Escrow Agreement.

5. The Authority has delivered to the Trustee its Order of the Authority, dated the date hereof, under which the Authority elects, at the request of the City to defease the Certificates and the pledge of Revenues (as defined in the Trust Agreement) and other assets under the Trust Agreement with respect to such Certificates.

6. The City has caused for there to be deposited with the Escrow Agent, in trust, money in an amount necessary to prepay the Certificates, together with a Verification Report on which the Trustee shall rely to make this certification and written direction of the City and irrevocable instruction to provide notice of prepayment thereof in satisfaction of Article VIII of the Trust Agreement. The City remains responsible for paying any Escrow Agent or Trustee fees due until the Certificates are paid in full and the Escrow Agreement has terminated.

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement.

Dated: _____, 2020

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

By: _____
Authorized Representative