

OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY TO THE
PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY

BOARD REPORT

MEETING DATE: August 8, 2017

NEW BUSINESS

TITLE: ISSUANCE OF TAX ALLOCATION REFUNDING BONDS

INITIATED: GEOFFREY KIEHL, DIRECTOR OF FINANCE AND TREASURER

RECOMMENDATION:

1. Adopt Resolution No. __, "A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY DIRECTING PREPARATION OF PROCEEDINGS FOR THE REFUNDING OF OUTSTANDING 2007 BONDS, APPROVING ISSUANCE AND SALE OF REFUNDING BONDS, MAKING CERTAIN DETERMINATIONS AND PROVIDING OTHER MATTERS RELATING THERETO."

BACKGROUND AND ANALYSIS:

When the Palm Springs Redevelopment Agency was dissolved as a result of the Dissolution Act, the Agency had 6 series of tax allocation bonds outstanding. The Dissolution Act authorizes refinancing of the former Agency debt if debt service on the bonds can be reduced.

In 2014, the Successor Agency refinanced the former Agency's 2001 Housing Tax Allocation Bonds, 2004 Series A Tax Allocation Refunding Bonds and 2004 Series B Tax Allocation Refunding Bonds, reducing debt service by \$6.8 million over 20 years.

There are 3 remaining series of outstanding bonds issued by the former Agency. The former Agency's outstanding bonds (after the upcoming September 1, 2017 payment) are shown below:

	<u>2007 Series A</u>	<u>Taxable 2007 Series B</u>	<u>Taxable 2007 Series C</u>
Outstanding	\$12,420,000	\$1,850,000	\$5,335,000
Final Maturity	2034	2034	2034
Average Interest Rate	4.95%	6.14%	6.41%

The 2007 Series B Bonds and 2007 Series C Bonds were issued on a taxable basis and had a higher interest rate.

The Successor Agency's Financial Advisor estimates that refinancing of the taxable 2007 Series C Bonds will be at an effective rate of 4.3%. The Financial Advisor also recommends refinancing the tax-exempt 2007 Series A Bonds. The estimated effective rate for the tax-exempt bonds is 3.5%. The repayment is scheduled to occur over the same term as the existing bonds.

Refinancing the 2007 Series B Bonds does not meet the refunding requirements of the Dissolution Act at this time.

The total debt service savings over the remaining 17 years that the Series A Bonds and Series C Bonds are outstanding is approximately \$3.8 million, which will increase the RPTTF residual available to be distributed to all taxing agencies, including the City, the County, the School District and the College District through the regular RPTTF distribution process.

Between the time that the refinancing is approved by the Successor Agency and the time that the Successor Agency can actually enter the market to sell the refunding bonds based on the Health & Safety Code (HSC) requirements (discussed below), interest rates could increase, and debt service savings may be reduced. Therefore, the current estimate of \$3.8 million savings to be shared among taxing agencies over the next 17 years is an estimate at this time.

Authorization Resolution

The Successor Agency authorized the issuance of the refunding bonds on July 26, 2017. Final approval authority for any refinancing resides with your Board and the DOF.

In order to authorize the issuance of the refunding bonds, your Board is being presented with a resolution for consideration. The resolution authorizes sale of a principal amount of refunding bonds not-to-exceed \$20,000,000 to refinance the 2007 Series A Bonds and the 2007 Series C Bonds, in two series – a tax-exempt series relating to the 2007 Series A Bonds refunding and a taxable series relating to the 2007 Series C Bonds.

FISCAL IMPACT:

The increase in the residual property tax (RPTTF) that gets distributed to all the taxing entities will increase by approximately \$3.8 million over the remaining 17 years that the 2007 Series A Bonds and 2007 Series C Bonds are outstanding, based on interest rates as of June 19, 2017, shown in the attached Debt Service Savings Analysis. To the extent the incremental residual property tax is not used for other Successor Agency

enforceable obligations, it will be distributed to taxing agencies, including the City, through the regular RPTTF distribution process. The City will receive approximately 31% of the benefit of the reduced debt service, and the remaining 69% of the benefit will be shared among the school districts, college districts, the County and other taxing agencies.

The Dissolution Act also provides that staff costs related to refunding proceedings can be recovered as authorized by CRL §34177.5(f).

Attachments:

1. Resolution
2. First Supplement to Indenture of Trust
3. Second Supplement to Indenture of Trust
4. Escrow Deposit and Trust Agreement – 2007 Series A Bonds
5. Escrow Deposit and Trust Agreement – 2007 Series C Bonds
6. Debt Service Savings Analysis

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY DIRECTING PREPARATION OF PROCEEDINGS FOR THE REFUNDING OF OUTSTANDING 2007 BONDS, APPROVING ISSUANCE AND SALE OF REFUNDING BONDS, MAKING CERTAIN DETERMINATIONS AND PROVIDING OTHER MATTERS RELATING THERETO

WHEREAS, the Community Redevelopment Agency of the City of Palm 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 (the "Code"), and pursuant to Section 34172(a) of the Code, the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173 of the Code the City of Palm Springs has become the successor entity to the Former Agency (the "Successor Agency"); and

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency had issued the following bonds (collectively, the "Prior Bonds"):

- (a) \$12,770,000 aggregate principal amount of Community Redevelopment Agency of the City of Palm Springs Merged Project No. 1 Tax Allocation Bonds, 2007 Series A, and
- (b) \$6,495,000 aggregate principal amount of Community Redevelopment Agency of the City of Palm Springs Merged Project No. 2 Taxable Tax Allocation Bonds, 2007 Series C; and

WHEREAS, Section 34177.5(a)(1) authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Former Agency in order to achieve debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters"), and to issue bonds for such purpose pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law"); and

WHEREAS, pursuant to Section 34179 of the Code, this oversight board (the "Oversight Board") has been established for the Successor Agency; and

WHEREAS, the City Council, acting as the governing board of the Successor Agency, has adopted its resolution on July 26, 2017 (the "Successor Agency Resolution") under which the Successor Agency has authorized the issuance of one or more series of tax-exempt and taxable refunding bonds (collectively, the "Refunding Bonds") under the Refunding Bond Law for the purpose of refunding all or a portion of the Prior Bonds, provided that the Savings Parameters is achieved with respect to the refunding of the Prior Bonds as set forth in Section 34177.5(a)(1) of the Code; and

WHEREAS, in the Successor Agency Resolution, the Successor Agency has requested that the Oversight Board direct the Successor Agency to undertake proceedings for the issuance of the Refunding Bonds; and

WHEREAS, following approval by the Oversight Board of the issuance of the Refunding Bonds by the Successor Agency and upon approval by the California Department of Finance, the Successor Agency is expected to sell the Refunding Bonds on a negotiated basis to Stifel Nicolaus & Company, Incorporated, such sale to be accomplished pursuant to a bond purchase agreement in the form approved by the Successor Agency pursuant to the Successor Agency Resolution; and

WHEREAS, the Successor Agency has caused an analysis to be made of the potential savings that will accrue to the Successor Agency and other affected taxing entities as a result of the refunding of the Prior Bonds (the "Debt Service Savings Analysis") and has presented the Debt Service Savings Analysis to the Oversight Board for its consideration; and

WHEREAS, the Oversight Board has completed its review of the refunding proceedings and wishes at this time to give its approval to the issuance and sale of the Refunding Bonds by the Successor Agency and certain matters relating thereto;

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. Debt Service Savings Analysis. The Successor Agency has filed the Successor Agency Resolution and the Debt Service Savings Analysis with the Oversight Board, which Debt Service Savings Analysis is hereby approved as demonstrating the potential savings that may result from the refunding of the Prior Bonds, in whole or in part.

Section 2. Direction to Refund. As requested by the Successor Agency in the Successor Agency Resolution, the Oversight Board hereby directs the Successor Agency to undertake the refunding of the Prior Bonds, in whole or in part. As set forth in the Successor Agency Resolution, the Refunding Bonds shall only be issued to refund the Prior Bonds in the event that the Savings Parameters set forth in Section 34177.5(a)(1) of the Code are met with respect to such refunding.

Section 3. Approval of Issuance and Sale of the Refunding Bonds. As authorized by Sections 34177.5(f) and 34180 of the Code, the Oversight Board hereby approves the Successor Agency Resolution and the issuance by the Successor Agency of the Refunding Bonds pursuant to Section 34177.5(a)(1) of the Code and under the applicable provisions of the Refunding Law in the aggregate principal amount of not to exceed \$20,000,000, and as provided in the Successor Agency Resolution and the Indenture of Trust and the respective Supplemental Indentures relating to the Refunding Bonds (the "Refunding Bonds Indenture") as approved pursuant to the Successor Agency Resolution, provided that the principal and interest payable with respect to the Refunding Bonds shall comply in all respects with the requirements of the Savings Parameters. The Oversight Board hereby approves the execution and delivery by the Successor Agency of all of the agreements, certificates and other documents which are approved pursuant to the Successor Agency Resolution.

Section 4. Determinations by the Oversight Board. The Oversight Board hereby determines (upon which determination the Successor Agency may rely in undertaking the refunding proceedings and the issuance and sale of the Refunding Bonds) that the authorization and sale of the Refunding Bonds, and the application of proceeds thereof to the refunding of all or a portion of the Prior Bonds and the payment of costs of issuance, as provided in the Refunding Bond Indenture and authorized by §34177.5(a)(1) of the Code, shall be implemented by the Successor Agency promptly upon sale and delivery of the Refunding Bonds, without the requirement for further approval from the Oversight Board, the California Department of Finance, the Riverside County Auditor-Controller or any other person or entity other than the Successor Agency.

Section 5. Actions to Effectuate Resolution. The members of the Oversight Board and the staff of the Successor Agency are hereby authorized, jointly and severally, to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution and the Refunding Bonds Indenture.

PASSED, APPROVED AND ADOPTED at a meeting of the Oversight Board on the ___ day of August, 2017, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair

ATTEST:

Secretary

FIRST SUPPLEMENT TO INDENTURE OF TRUST

This FIRST SUPPLEMENT TO INDENTURE OF TRUST (this "First Supplement"), dated as of September 1, 2017, is between the SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Successor Agency"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee under the hereinafter defined 2014 Bond Indenture (the "Trustee");

WITNESSETH:

WHEREAS, the Community Redevelopment Agency of the City of Palm 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 (the "Redevelopment Law"); and

WHEREAS, redevelopment plans for the redevelopment project areas designated "Palm Springs Merged Redevelopment Project No. 1" and "Palm Springs Merged Redevelopment Project No. 2" in the City of Palm Springs, California, were adopted in compliance with all requirements of the Redevelopment Law; and

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (the "Code"), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and the Successor Agency has become the successor entity to the Former Agency; and

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency previously issued its \$12,770,000 aggregate principal amount of Community Redevelopment Agency of the City of Palm Springs Merged Project No. 1 Tax Allocation Bonds, 2007 Series A (the "2007 Series A Bonds"); and

WHEREAS, Section 34177.5(a)(1) of the Code authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Former Agency in order to achieve debt service savings within the parameters set forth in Section 34177.5(a)(1), and to issue bonds for such purpose pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law"); and

WHEREAS, the Successor Agency has determined, based on current conditions in the municipal bond market, that it will achieve debt service savings by refunding the 2007 Series A Bonds in compliance with the requirement of Section 34177.5(a)(1) of the Code; and

WHEREAS, the Successor Agency has previously issued its \$15,635,000 aggregate principal amount of Successor Agency to the Palm Springs Community Redevelopment Agency 2014 Subordinate Tax Allocation Refunding Bonds (the "2014

Bonds”) for the purpose of refunding outstanding bonds of the Former Agency, pursuant to an Indenture of Trust dated as of July 1, 2014 (the “2014 Bond Indenture”), between the Successor Agency and the Trustee; and

WHEREAS, the Successor Agency proposes to achieve the potential debt service savings evidenced by the Debt Service Savings Analysis with respect to the refunding of the 2007 Series A Bonds by the issuance of its Successor Agency to the Palm Springs Community Redevelopment Agency Tax Allocation Refunding Parity Bonds, 2017 Series A (the “2017 Series A Refunding Bonds”), on a parity with the 2014 Bonds, pursuant to the Law, the Refunding Law and this First Supplement; and

WHEREAS, the 2014 Bond Indenture permits the issuance of Parity Debt (within the meaning of the 2014 Bond Indenture) payable from Tax Revenues (as defined in the 2014 Bond Indenture) on a parity with the 2014 Bonds, subject to certain terms and conditions;

WHEREAS, this First Supplement is entered into pursuant to and in accordance with the provisions of Section 5.02 and Section 7.01(e) of the 2014 Bond Indenture for the purpose of prescribing the terms and conditions applicable to the issuance of the 2017 Series A Refunding Bonds as Parity Debt under the 2014 Bond Indenture, and for the purposes of amending and supplementing the 2014 Bond Indenture with respect thereto; and

WHEREAS, the Successor Agency has certified that all acts and proceedings required by law necessary to make the 2017 Series A Refunding Bonds, when executed by the Successor Agency, authenticated and delivered by the Trustee, and duly issued, the valid, binding and legal special obligations of the Successor Agency, and to constitute this First Supplement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the First Supplement have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

SECTION 1. Supplement to 2014 Bond Indenture. In accordance with the provisions of Section 7.01(e) of the 2014 Bond Indenture, the 2014 Bond Indenture is hereby amended by adding a supplement thereto consisting of a new article to be designated as Article X. Such Article X shall read in its entirety as follows:

ARTICLE X

2017 SERIES A REFUNDING BONDS

Section 10.01. **Definitions.** Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Article but not for any other purposes of this Indenture, have the respective meanings specified in this Section. All terms defined in Section 1.02 and not otherwise defined in this Section shall, when used in this Article X, have the respective meanings given to such terms in Section 1.02.

“Article X” means this Article X which has been incorporated in and made a part of this Indenture pursuant to the First Supplement, together with all amendments of and supplements to this Article X entered into pursuant to the provisions of Section 7.01.

“Bond Year” means the one-year period beginning on September 2 in any year and ending on the next succeeding September 1, both dates inclusive, except that, with respect to the 2017 Series A Refunding Bonds, the first Bond Year shall begin on the Closing Date and end on September 1, 2018.

“Closing Date” means the date on which the 2017 Series A Refunding Bonds are delivered to the Original Purchaser.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate relating to the 2017 Series A Refunding Bonds executed by the Successor Agency and dated the date of issuance and delivery of the 2017 Series A Refunding Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the 2017 Series A Refunding Bonds, including but not limited to printing expenses, rating agency fees, municipal bond insurance and surety bond premiums, filing and recording fees, initial fees, expenses and charges of the Trustee, and its counsel, including the Trustee's first annual administrative fee, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the 2017 Series A Refunding Bonds and any other cost, charge or fee in connection with the original issuance of the 2017 Series A Refunding Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 10.07.

“Defeasance Obligations” means, with respect to the 2017 Series A Refunding Bonds, cash and non-callable Federal Securities.

“Escrow Agreement” means the Escrow Agreement dated as of the Closing Date, between the Successor Agency and the Escrow Bank, relating to the redemption of the 2007 Series A Bonds in full.

“Escrow Bank” means U.S. Bank National Association, as escrow bank under the Escrow Agreement.

“First Supplement” means the First Supplement to Indenture of Trust, dated as of September 1, 2017, between the Successor Agency and the Trustee, as the same may be amended from time to time in accordance with the terms of the 2014 Bond Indenture.

“Interest Payment Date” means March 1, 2018, and each March 1 and September 1 in each year thereafter so long as any of the 2017 Series A Refunding Bonds remain Outstanding.

"Original Purchaser" means Stifel, Nicolaus & Company, Inc., as the first purchaser of the 2017 Series A Refunding Bonds.

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"2014 Bonds" means the \$15,635,000 aggregate original principal amount of Successor Agency to the Palm Springs Community Redevelopment Agency 2014 Subordinate Tax Allocation Refunding Bonds authorized and issued pursuant to Section 2.01.

"2014 Bond Indenture" means the Indenture of Trust, dated as of July 1, 2014, between the Successor Agency and the Trustee, as the same may be amended from time to time in accordance with the terms thereof.

"Refunding Law" means Article 11 (commencing with Section 53580) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California, and the acts amendatory thereof and supplemented thereto.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Term 2017 Series A Refunding Bonds" means the 2017 Series A Refunding Bonds maturing on September 1 in each of the years _____.

"2007 Series A Bonds" means the \$12,770,000 aggregate original principal amount of Community Redevelopment Agency of the City of Palm Springs Merged Project No. 1 Tax Allocation Bonds, 2007 Series A which have been issued by the Former Agency.

"2017 Series A Refunding Bonds" means the Bonds which are authorized to be issued pursuant to Section 10.02.

Section 10.02. Authorization of 2017 Series A Refunding Bonds. The Successor Agency hereby authorizes the issuance of the 2017 Series A Refunding Bonds under the Refunding Law, for the purpose of providing funds to refinance the outstanding 2007 Series A Bonds.

The 2017 Series A Refunding Bonds shall be issued as Parity Debt in the aggregate principal amount of \$_____. This Indenture constitutes a continuing agreement with the Owners of all of the 2017 Series A Refunding Bonds issued hereunder and at any time Outstanding to secure the full and final payment of principal of and premium, if any, and interest on all 2017 Series A Refunding Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The 2017 Series A Refunding Bonds shall be designated the "Successor Agency to the Palm Springs Community Redevelopment Agency Tax Allocation Refunding Parity Bonds, 2017 Series A".

Section 10.03. Terms of 2017 Series A Refunding Bonds. The 2017 Series A Refunding Bonds shall be dated as of the Closing Date, and shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof and shall be subject to the book entry system provisions of Section 2.10. The 2017 Series A Refunding Bonds shall mature on September 1 in each of the years and in the respective principal amounts, and shall bear interest which is payable on each Interest Payment Date in the respective amounts, as set forth in the following table.

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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Interest on the 2017 Series A Refunding Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a 2017 Series A Refunding Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, (ii) a 2017 Series A Refunding Bond is authenticated on or before the first Record Date with respect to the 2017 Series A Refunding Bonds, in which event interest thereon shall be payable from the Closing Date, or (iii) interest on any 2017 Series A Refunding Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has been paid or made available for payment, payable on each Interest Payment Date. Interest shall be paid on each Interest Payment Date to the persons in whose names the ownership of the 2017 Series A Refunding Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date. Interest on any 2017 Series A Refunding Bond which is not punctually paid or duly provided for on any Interest Payment Date shall be payable to the person in whose name the ownership of such 2017 Series A Refunding Bond is registered on the Registration Books at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice of which shall be given to such Owner not less than ten days prior to such special record date.

Interest on the 2017 Series A Refunding Bonds shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the 2017 Series A Refunding Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date; *provided, however,* that at the written request of the Owner of 2017 Series A Refunding Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee prior to any Record Date, interest on such 2017 Series A Refunding Bonds shall be paid on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account within the United States of America as shall be specified in such written request. The principal of the 2017 Series A Refunding Bonds and any redemption premium shall be payable in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof to the Trustee.

Section 10.04. Redemption. The 2017 Series A Refunding Bonds shall be subject to redemption prior to maturity as provided in this Section.

(a) Optional Redemption. The 2017 Series A Refunding Bonds maturing September 1, 20__, shall not be subject to redemption prior to maturity. The 2017 Series A Refunding Bonds maturing September 1, 20__, shall be subject to redemption in whole, or in part among maturities on such basis as shall be designated in a Request of the Successor Agency filed with the Trustee, and in any case by lot within a maturity, on any date on or after September 1, 20__, at the option of the Successor Agency from any available source of funds, at a redemption price equal to 100% of the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem 2017 Series A Refunding Bonds under this subsection (a), and the manner of selecting such 2017 Series A Refunding Bonds for redemption from among the maturities thereof, at least 45 days prior to the date fixed for such redemption, or such later date as may be acceptable to the Trustee.

The Successor Agency shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2017 Series A Refunding Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

(b) Mandatory Sinking Fund Redemption. The Term 2017 Series A Refunding Bonds shall be subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following table; *provided, however,* that if some but not all of the Term 2017 Series A Refunding Bonds have been redeemed under subsection (a) of this Section, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Term 2017 Series A Refunding Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the Authority to the Trustee).

Sinking Account
Redemption Date
(September 1)

Principal Amount
To Be Redeemed or
Purchased

(ii) In lieu of redemption of the Term 2017 Series A Refunding Bonds pursuant to this subsection (b), amounts on deposit in the Debt Service Fund (to the extent not required to be transferred by the Trustee pursuant to Section 4.03 during the current Bond Year) may also be used and withdrawn by the Successor Agency at any time for the purchase of such Term 2017 Series A Refunding Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of such Term 2017 Series A Refunding Bonds so purchased by the Successor Agency in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of such Term 2017 Series A Refunding Bonds required to be redeemed pursuant to this subsection (b) on the next succeeding September 1.

"Pro rata" among Owners as referred to in this Section means, with respect to the allocation of amounts to be redeemed, the application to such amounts of a fraction, the numerator of which is equal to the amount of the specific maturity of 2017 Series A Refunding Bonds held by an Owner, and the denominator of which is equal to the total amount of such maturity of such 2017 Series A Refunding Bonds then Outstanding.

(c) Redemption Procedures. Except as provided in this Section to the contrary, the redemption procedures and other provisions of Section 2.03 shall apply to the redemption of the 2017 Series A Refunding Bonds.

Section 10.05. Form and Execution of 2017 Series A Refunding Bonds, CUSIP Numbers. The 2017 Series A Refunding Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit B attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Bonds shall be executed on behalf of the Successor Agency by the signature of the City Manager and the signature of the City Clerk who are in office on the date of execution and delivery of this Indenture or at any time thereafter. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any 2017 Series A Refunding Bond ceases to be such officer before delivery of the 2017 Series A Refunding Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the 2017 Series A Refunding Bonds to the purchaser. Any 2017 Series A Refunding Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such 2017 Series A Refunding Bond shall be the proper officers of the Successor Agency although on the

date of such 2017 Series A Refunding Bond any such person shall not have been such officer of the Successor Agency.

Only such of the 2017 Series A Refunding Bonds as shall bear thereon a Certificate of Authentication in the form set forth in Exhibit B, executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such Certificate of the Trustee shall be conclusive evidence that such 2017 Series A Refunding Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

The Trustee and the Successor Agency shall not be liable for any omission, defect or inaccuracy in the CUSIP number that appears on any 2017 Series A Refunding Bond or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the 2017 Series A Refunding Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither the Trustee nor the Successor Agency shall be liable for any inaccuracies in such numbers.

Section 10.06. Deposit and Application of Proceeds. On the Closing Date, the Trustee shall deposit the proceeds of the 2017 Series A Refunding Bonds into a temporary account deposit called the Proceeds Fund which the Trustee shall establish, maintain and hold in trust and which shall be disbursed in full on the Closing Date (whereupon said temporary account shall be closed) which shall be deposited or transferred as follows:

- (a) The Trustee shall deposit the amount of \$_____ in the Costs of Issuance Fund.
- (b) The Trustee shall transfer the amount of \$_____, constituting the remainder of the 2017 Series A Refunding Bond proceeds, to the Escrow Bank for deposit and application in accordance with the Escrow Agreement.

The Successor Agency hereby covenants that as a result of the deposit and application of the proceeds of the 2017 Series A Refunding Bonds under the Escrow Agreement, the 2007 Series A Bonds will be refunded and defeased on the Closing Date under and in accordance with the documents authorizing the issuance thereof, and the 2007 Series A Bonds will cease to be secured by and payable from the Tax Revenues.

Section 10.07. Costs of Issuance Fund. There is hereby established a separate fund to be known as the "2017 Series A Refunding Bonds Costs of Issuance Fund" which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Successor Agency stating (a) the person to whom payment is to be made, (b) the amount to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior Written Request of the Successor Agency; in each case together with a statement or invoice for each amount requested thereunder. On the earlier of six months from the Closing Date, or the date of receipt by the Trustee of a Written Request of the Successor

Agency therefor, all amounts (if any) remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and be deposited in the Redevelopment Fund.

Section 10.08. Security for 2017 Series A Refunding Bonds. The 2017 Series A Refunding Bonds shall be Parity Debt within the meaning of such term in Section 5.02 and shall be secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Property Tax Trust Fund or in the Special Fund (if applicable), in the manner and to the extent set forth in Article IV, on a parity with all other Bonds issued under this Indenture, including the 2014 Bonds.

The Successor Agency covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, instruments and transfers as may be required for the better securing, assuring, continuing, transferring, conveying, pledging, assigning and confirming unto the Owners of the 2017 Series A Refunding Bonds or the Trustee for the Owners of the 2017 Series A Refunding Bonds, the Tax Revenues and any other collateral pledged to the payment of the principal of, premium, if any, and interest on the 2017 Series A Refunding Bonds. Except to the extent it is exempt therefrom, the Successor Agency will pay or cause to be paid all filing fees incident to such filing and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or State fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of such instruments of further assurance.

Section 10.09. Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Participating Underwriter or any holder or beneficial owner of the 2017 Series A Refunding Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section.

Section 10.10. Benefits Limited to Parties. Nothing in this Article X, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, the Insurer and the Owners of the 2017 Series A Refunding Bonds, any right, remedy, claim under or by reason of this Article X. Any covenants, stipulations, promises or agreements in this Article X contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, the Insurer and the Owners of the 2017 Series A Refunding Bonds.

Section 10.11. Federal Tax Covenants.

(a) **Generally.** The Successor Agency may not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, interest on the 2017 Series A Refunding Bonds to become includable in gross income for federal income tax purposes.

(b) **Private Activity Bond Limitation.** The Successor Agency shall assure that the proceeds of the 2017 Series A Refunding Bonds are not used in a manner which

would cause the 2017 Series A Refunding Bonds to become "private activity bonds" within the meaning of Section 141(a) of the Tax Code or to meet the private loan financing test of Section 141(c) of the Tax Code.

(c) Federal Guarantee Prohibition. The Successor Agency may not take any action or permit or suffer any action to be taken if the result of the same would be to cause the 2017 Series A Refunding Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(d) No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the 2017 Series A Refunding Bond proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the 2017 Series A Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code.

(e) Rebate of Excess Investment Earnings. The Successor Agency shall calculate or cause to be calculated all amounts of excess investment earnings with respect to the 2017 Series A Refunding Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, at the times and in the manner required under the Tax Code. The Successor Agency shall pay when due an amount equal to excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, such payments to be made from any source of legally available funds of the Successor Agency. The Successor Agency shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the 2017 Series A Refunding Bonds, records of the determinations made under this subsection (e).

The Trustee has no duty to monitor the compliance by the Successor Agency with any of the covenants contained in this Section.

Section 10.12. Effect of this Article X. Except as in this Article X expressly provided or except to the extent inconsistent with any provision of this Article X, the 2017 Series A Refunding Bonds shall be deemed to be Bonds under and within the meaning of Section 1.02, and every term and condition contained in the other provisions of this Indenture shall apply to the 2017 Series A Refunding Bonds with full force and effect, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Article X.

Section 10.13. Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the 2017 Series A Refunding Bonds and the rights and benefits provided in this Indenture.

SECTION 2. Supplement to 2014 Bond Indenture. In accordance with the provisions of Section 7.01(c) of the 2014 Bond Indenture, the 2014 Bond Indenture is hereby amended by replacing Section 5.08. Such Section 5.08 shall read in its entirety as follows:

Section 5.08. Compliance with the Law: Recognized Obligation Payment Schedules. The Successor Agency shall comply with all of the requirements of the Law. Pursuant to Section 34177 of the Law, not later than each February 1, the Successor Agency shall submit to the Oversight Board and the State Department of Finance, a Recognized Obligation Payment Schedule that includes the following:

For the semiannual period ending each June 30, the Recognized Obligation Payment Schedule which includes such period shall request the payment to the Successor Agency of an amount of Tax Revenues which is at least equal to the following:

- (a) 100% of the amount of principal of and interest on the Senior Bonds coming due and payable on the next succeeding March 1 and September 1,
- (b) 100% of the amount of interest on the Bonds and all Outstanding Parity Bonds coming due and payable on the next succeeding March 1,
- (c) 100% of the amount of principal on the Bonds and all Outstanding Parity Bonds coming due and payable on the next succeeding September 1,
- (d) any amount then required to replenish the full amount of the Reserve Requirement in the Reserve Account and to replenish the amount in any reserve account established for outstanding Senior Bonds or Parity Bonds; and
- (e) any amount then required to make payments due to the Bond Insurer in respect of the Policy or the Reserve Policy.

For the semiannual period ending each December 31, the Recognized Obligation Payment Schedule which includes such period shall request the payment to the Successor Agency of an amount of Tax Revenues which is at least equal to the following:

- (a) 100% of the interest due on the Bonds and all Outstanding Parity Bonds coming due and payable on the next succeeding September 1,
- (b) the remaining principal due on the Bonds and all Outstanding Parity Bonds coming due and payable on the next succeeding September 1 and not reserved in the period ending June 30; and
- (c) reserves and amounts due to any bond insurer as described under (d) and (e) above.

The Recognized Obligation Debt Service Payment Schedule shall not be amended except by a Supplemental Indenture entered into pursuant to Article VII.

The Successor Agency shall place on the applicable Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance, to the extent necessary, any amount required to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Law and any amount required to be deposited in the Reserve Account (including any Reserve Insurance Policy Costs then due the Insurer) in order to maintain in the Reserve Account the amount of the Reserve Requirement, as required by Section 4.03(d).

In addition, the Successor Agency covenants that it shall, on or before December 1 of each year, file a Notice of Insufficiency with the County Auditor-Controller if the amount of Tax Revenues available to the Successor Agency from the Redevelopment Property Tax Trust Fund for transfer to the Redevelopment Obligation Retirement Fund on the upcoming January 2 is insufficient to fully fund all required amounts payable from the Redevelopment Obligation Retirement Fund during the next succeeding Semiannual Period. The Successor Agency covenants that on or before May 1 of each year, it shall file a Notice of Insufficiency with the County Auditor-Controller if the amount of Tax Revenues available to the Successor Agency from the Redevelopment Property Tax Trust Fund for transfer to the Redevelopment Obligation Retirement Fund on the upcoming July 1 is insufficient to fully fund all required amounts payable from the Redevelopment Obligation Retirement Fund during the next succeeding Semiannual Period.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, has caused this First Supplement to be signed in its name by the City Manager and attested by the City Clerk, and U.S. BANK NATIONAL ASSOCIATION in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**SUCCESSOR AGENCY TO THE PALM
SPRINGS COMMUNITY
REDEVELOPMENT AGENCY**

By: _____
City Manager

ATTEST:

City Clerk

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

By: _____
Authorized Officer

APPENDIX A
EXHIBIT B TO INDENTURE
(FORM OF REFUNDING BOND)

No. _____

\$ _____

SUCCESSOR AGENCY TO THE
PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING PARITY BONDS,
2017 SERIES A

INTEREST RATE:

MATURITY DATE:
September 1, _____

DATED DATE:

CUSIP:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

DOLLARS

The SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, a public entity, duly created and existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth (15th) day of the month immediately preceding an Interest Payment Date (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before February 15, 2018, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on March 1 and September 1 in each year, commencing March 1, 2018 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon surrender of this Bond at the principal corporate trust office of U.S. Bank National Association, Los Angeles, California, as trustee (the "Trustee"), or at such other place as designated by the Trustee (the "Corporate Trust Office"). Interest hereon (including the final interest payment upon maturity or earlier

redemption hereof) is payable by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee as of the Record Date for which such Interest Payment Date occurs; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more upon written instructions of any such registered owner filed with the Trustee for that purpose prior to the Record Date preceding the applicable Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Successor Agency to the Palm Springs Community Redevelopment Agency Tax Allocation Refunding Parity Bonds, 2017 Series A" (the "Bonds"), of an aggregate principal amount of \$_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, redemption and other provisions) and all issued pursuant to the provisions of the Law (as defined in the Indenture), Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Refunding Law") and pursuant to an Indenture of Trust dated as of September 1, 2017, entered into by and between the Successor Agency and the Trustee (the "Indenture"), authorizing the issuance of the Bonds. Additional bonds, or other obligations may be issued senior to or on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law and the Refunding Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Successor Agency for the purpose of providing funds to refinance certain redevelopment activities undertaken with respect to its Project Areas (as defined in the Indenture), to fund a reserve account for the Bonds and to pay certain expenses of the Successor Agency in issuing the Bonds.

There has been created under the Law the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Tax Revenues shall be deposited and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Bonds. As and to the extent set forth in the Indenture, all such Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture and the Law, for the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds. The Bonds and any parity debt shall be additionally secured at all times by a pledge of, security interest in and lien upon Tax Revenues in the Redevelopment Property Tax Trust Fund established pursuant to the Law and administered by the Riverside County Auditor-Controller for the Successor Agency, subject to the prior rights of the Senior Obligations (as defined in the Indenture) and by a first pledge of, security interest in and lien upon all

of the moneys on the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account, the Reserve Account and the Redemption Account (as such terms are defined in the Indenture). Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

The Bonds maturing on or before September 1, 20__, are not subject to optional redemption prior to maturity. The Bonds maturing on and after September 1, 20__, are subject to redemption, at the option of the Successor Agency on any date on or after September 1, 20__, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Bonds maturing on September 1, 20__ are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following table; *provided, however,* that if some but not all of the Term Bonds have been redeemed under the redemption provision described in the preceding paragraph, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the City to the Trustee).

Sinking Fund
Redemption Date
(September 1)

Principal Amount
To Be Redeemed

As provided in the Indenture, notice of redemption shall be given by first class mail no less than 20 nor more than 60 days prior to the redemption date to the respective registered owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books maintained by the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

The Successor Agency has the right to rescind any notice of the optional redemption of Bonds by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default. The Successor Agency and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee

shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under the Indenture.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Corporate Trust Office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new fully registered Bond or Bonds, of any authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Bond during the fifteen (15) days prior to the date established for the selection of Bonds for redemption, or (b) any Bond selected for redemption.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Successor Agency and the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premium (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the registered owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Successor Agency or the Trustee for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY

PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This Bond is not a debt of the City of Palm Springs, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those of the Successor Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the Law, the Refunding Law and the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Law, the Refunding Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Successor Agency to the Palm Springs Community Redevelopment Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signature of the City Manager and attested by the facsimile signature of the City Clerk, all as of the Dated Date set forth above.

**SUCCESSOR AGENCY TO THE PALM
SPRINGS COMMUNITY
REDEVELOPMENT AGENCY**

By: _____
City Manager

ATTEST:

City Clerk

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) _____ and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

SECOND SUPPLEMENT TO INDENTURE OF TRUST

This SECOND SUPPLEMENT TO INDENTURE OF TRUST (this "Second Supplement"), dated as of September 1, 2017, is between the SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Successor Agency"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee under the hereinafter defined 2014 Bond Indenture (the "Trustee");

WITNESSETH:

WHEREAS, the Community Redevelopment Agency of the City of Palm 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 (the "Redevelopment Law"); and

WHEREAS, redevelopment plans for the redevelopment project areas designated "Palm Springs Merged Redevelopment Project No. 1" and "Palm Springs Merged Redevelopment Project No. 2" in the City of Palm Springs, California, were adopted in compliance with all requirements of the Redevelopment Law; and

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (the "Code"), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and the Successor Agency has become the successor entity to the Former Agency; and

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency previously issued its \$6,495,000 aggregate principal amount of Community Redevelopment Agency of the City of Palm Springs Merged Project No. 2 Taxable Tax Allocation Bonds, 2007 Series C (the "2007 Series C Bonds"); and

WHEREAS, Section 34177.5(a)(1) of the Code authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Former Agency in order to achieve debt service savings within the parameters set forth in Section 34177.5(a)(1), and to issue bonds for such purpose pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law"); and

WHEREAS, the Successor Agency has determined, based on current conditions in the municipal bond market, that it will achieve debt service savings by refunding the 2007 Series C Bonds in compliance with the requirement of Section 34177.5(a)(1) of the Code; and

WHEREAS, the Successor Agency has previously issued its \$15,635,000 aggregate principal amount of Successor Agency to the Palm Springs Community Redevelopment Agency 2014 Subordinate Tax Allocation Refunding Bonds (the "2014

Bonds”) for the purpose of refunding outstanding bonds of the Former Agency, pursuant to an Indenture of Trust dated as of July 1, 2014 (the “2014 Bond Indenture”), between the Successor Agency and the Trustee; and

WHEREAS, the Successor Agency proposes to achieve the potential debt service savings evidenced by the Debt Service Savings Analysis with respect to the refunding of the 2007 Series C Bonds by the issuance of its Successor Agency to the Palm Springs Community Redevelopment Agency Taxable Tax Allocation Refunding Parity Bonds, 2017 Series B (the “2017 Series B Refunding Bonds”), on a parity with the 2014 Bonds, pursuant to the Law, the Refunding Law and this Second Supplement; and

WHEREAS, the 2014 Bond Indenture permits the issuance of Parity Debt (within the meaning of the 2014 Bond Indenture) payable from Tax Revenues (as defined in the 2014 Bond Indenture) on a parity with the 2014 Bonds, subject to certain terms and conditions;

WHEREAS, this Second Supplement is entered into pursuant to and in accordance with the provisions of Section 5.02 and Section 7.01(e) of the 2014 Bond Indenture for the purpose of prescribing the terms and conditions applicable to the issuance of the 2017 Series B Refunding Bonds as Parity Debt under the 2014 Bond Indenture, and for the purposes of amending and supplementing the 2014 Bond Indenture with respect thereto; and

WHEREAS, the Successor Agency has certified that all acts and proceedings required by law necessary to make the 2017 Series B Refunding Bonds, when executed by the Successor Agency, authenticated and delivered by the Trustee, and duly issued, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Second Supplement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Second Supplement have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

SECTION 1. Supplement to 2014 Bond Indenture. In accordance with the provisions of Section 7.01(e) of the 2014 Bond Indenture, the 2014 Bond Indenture is hereby amended by adding a supplement thereto consisting of a new article to be designated as Article XI. Such Article XI shall read in its entirety as follows:

ARTICLE XI

2017 SERIES B REFUNDING BONDS

Section 11.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Article but not for any other purposes of this Indenture, have the respective meanings specified in this Section. All terms defined in Section 1.02 and not otherwise defined in this Section shall, when used in this Article XI, have the respective meanings given to such terms in Section 1.02.

"Article XI" means this Article XI which has been incorporated in and made a part of this Indenture pursuant to the Second Supplement, together with all amendments of and supplements to this Article XI entered into pursuant to the provisions of Section 7.01.

"Bond Year" means the one-year period beginning on September 2 in any year and ending on the next succeeding September 1, both dates inclusive, except that, with respect to the 2017 Series B Refunding Bonds, the first Bond Year shall begin on the Closing Date and end on September 1, 2018.

"Closing Date" means the date on which the 2017 Series B Refunding Bonds are delivered to the Original Purchaser.

"Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate relating to the 2017 Series B Refunding Bonds executed by the Successor Agency and dated the date of issuance and delivery of the 2017 Series B Refunding Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the 2017 Series B Refunding Bonds, including but not limited to printing expenses, rating agency fees, municipal bond insurance and surety bond premiums, filing and recording fees, initial fees, expenses and charges of the Trustee, and its counsel, including the Trustee's first annual administrative fee, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the 2017 Series B Refunding Bonds and any other cost, charge or fee in connection with the original issuance of the 2017 Series B Refunding Bonds.

"Costs of Issuance Fund" means the fund by that name established and held by the Trustee pursuant to Section 11.07.

"Defeasance Obligations" means, with respect to the 2017 Series B Refunding Bonds, cash and non-callable Federal Securities.

"Escrow Agreement" means the Escrow Agreement dated as of the Closing Date, between the Successor Agency and the Escrow Bank, relating to the redemption of the 2007 Series C Bonds in full.

"Escrow Bank" means U.S. Bank National Association, as escrow bank under the Escrow Agreement.

"Second Supplement" means the Second Supplement to Indenture of Trust, dated as of September 1, 2017, between the Successor Agency and the Trustee, as the same may be amended from time to time in accordance with the terms of the 2014 Bond Indenture.

"Interest Payment Date" means March 1, 2018, and each March 1 and September 1 in each year thereafter so long as any of the 2017 Series B Refunding Bonds remain Outstanding.

“Original Purchaser” means Stifel, Nicolaus & Company, Inc., as the first purchaser of the 2017 Series B Refunding Bonds.

“Participating Underwriter” has the meaning ascribed thereto in the Continuing Disclosure Certificate.

“2014 Bonds” means the \$15,635,000 aggregate original principal amount of Successor Agency to the Palm Springs Community Redevelopment Agency 2014 Subordinate Tax Allocation Refunding Bonds authorized and issued pursuant to Section 2.01.

“2014 Bond Indenture” means the Indenture of Trust, dated as of July 1, 2014, between the Successor Agency and the Trustee, as the same may be amended from time to time in accordance with the terms thereof.

“Refunding Law” means Article 11 (commencing with Section 53580) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California, and the acts amendatory thereof and supplemented thereto.

“Term 2017 Series B Refunding Bonds” means the 2017 Series B Refunding Bonds maturing on September 1 in each of the years _____.

“2007 Series C Bonds” means the \$6,495,000 aggregate original principal amount of City of Palm Springs Merged Project No. 2 Taxable Tax Allocation Bonds, 2007 Series C which have been issued by the Former Agency.

“2017 Series B Refunding Bonds” means the Bonds which are authorized to be issued pursuant to Section 11.02.

Section 11.02. Authorization of 2017 Series B Refunding Bonds. The Successor Agency hereby authorizes the issuance of the 2017 Series B Refunding Bonds under the Refunding Law, for the purpose of providing funds to refinance the outstanding 2007 Series C Bonds.

The 2017 Series B Refunding Bonds shall be issued as Parity Debt in the aggregate principal amount of \$_____. This Indenture constitutes a continuing agreement with the Owners of all of the 2017 Series B Refunding Bonds issued hereunder and at any time Outstanding to secure the full and final payment of principal of and premium, if any, and interest on all 2017 Series B Refunding Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The 2017 Series B Refunding Bonds shall be designated the “Successor Agency to the Palm Springs Community Redevelopment Agency Taxable Tax Allocation Refunding Parity Bonds, 2017 Series B”.

Section 11.03. Terms of 2017 Series B Refunding Bonds. The 2017 Series B Refunding Bonds shall be dated as of the Closing Date, and shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof and shall be subject to the book entry system provisions of Section 2.10. The 2017 Series B Refunding Bonds shall mature on September 1 in each of the years and

in the respective principal amounts, and shall bear interest which is payable on each Interest Payment Date in the respective amounts, as set forth in the following table.

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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Interest on the 2017 Series B Refunding Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a 2017 Series B Refunding Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, (ii) a 2017 Series B Refunding Bond is authenticated on or before the first Record Date with respect to the 2017 Series B Refunding Bonds, in which event interest thereon shall be payable from the Closing Date, or (iii) interest on any 2017 Series B Refunding Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has been paid or made available for payment, payable on each Interest Payment Date. Interest shall be paid on each Interest Payment Date to the persons in whose names the ownership of the 2017 Series B Refunding Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date. Interest on any 2017 Series B Refunding Bond which is not punctually paid or duly provided for on any Interest Payment Date shall be payable to the person in whose name the ownership of such 2017 Series B Refunding Bond is registered on the Registration Books at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice of which shall be given to such Owner not less than ten days prior to such special record date.

Interest on the 2017 Series B Refunding Bonds shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the 2017 Series B Refunding Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date; *provided, however,* that at the written request of the Owner of 2017 Series B Refunding Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee prior to any Record Date, interest on such 2017 Series B Refunding Bonds shall be paid on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account within the United States of America as shall be specified in such written request. The principal of the 2017 Series B Refunding Bonds and any redemption premium shall be payable in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof to the Trustee.

Section 11.04. Redemption. The 2017 Series B Refunding Bonds shall be subject to redemption prior to maturity as provided in this Section.

(a) Optional Redemption. The 2017 Series B Refunding Bonds maturing September 1, 20__, shall not be subject to redemption prior to maturity. The 2017 Series B Refunding Bonds maturing September 1, 20__, shall be

subject to redemption in whole, or in part among maturities on such basis as shall be designated in a Request of the Successor Agency filed with the Trustee, and in any case by lot within a maturity, on any date on or after September 1, 20__, at the option of the Successor Agency from any available source of funds, at a redemption price equal to 100% of the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem 2017 Series B Refunding Bonds under this subsection (a), and the manner of selecting such 2017 Series B Refunding Bonds for redemption from among the maturities thereof, at least 45 days prior to the date fixed for such redemption, or such later date as may be acceptable to the Trustee.

The Successor Agency shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2017 Series B Refunding Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

(b) Mandatory Sinking Fund Redemption. The Term 2017 Series B Refunding Bonds shall be subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following table; *provided, however,* that if some but not all of the Term 2017 Series B Refunding Bonds have been redeemed under subsection (a) of this Section, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Term 2017 Series B Refunding Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the Authority to the Trustee).

Sinking Account
Redemption Date
(September 1)

Principal Amount
To Be Redeemed or
Purchased

(ii) In lieu of redemption of the Term 2017 Series B Refunding Bonds pursuant to this subsection (b), amounts on deposit in the Debt Service Fund (to the extent not required to be transferred by the Trustee pursuant to Section 4.03 during the current Bond Year) may also be used and withdrawn by the Successor Agency at any time for the purchase of such Term 2017 Series B Refunding Bonds at public or private sale as and when and at such prices (including

brokerage and other charges and including accrued interest) as the Successor Agency may in its discretion determine. The par amount of any of such Term 2017 Series B Refunding Bonds so purchased by the Successor Agency in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of such Term 2017 Series B Refunding Bonds required to be redeemed pursuant to this subsection (b) on the next succeeding September 1.

"Pro rata" among Owners as referred to in this Section means, with respect to the allocation of amounts to be redeemed, the application to such amounts of a fraction, the numerator of which is equal to the amount of the specific maturity of 2017 Series B Refunding Bonds held by an Owner, and the denominator of which is equal to the total amount of such maturity of such 2017 Series B Refunding Bonds then Outstanding.

(c) Redemption Procedures. Except as provided in this Section to the contrary, the redemption procedures and other provisions of Section 2.03 shall apply to the redemption of the 2017 Series B Refunding Bonds.

Section 11.05. Form and Execution of 2017 Series B Refunding Bonds, CUSIP Numbers. The 2017 Series B Refunding Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit B attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Bonds shall be executed on behalf of the Successor Agency by the signature of the City Manager and the signature of the City Clerk who are in office on the date of execution and delivery of this Indenture or at any time thereafter. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any 2017 Series B Refunding Bond ceases to be such officer before delivery of the 2017 Series B Refunding Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the 2017 Series B Refunding Bonds to the purchaser. Any 2017 Series B Refunding Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such 2017 Series B Refunding Bond shall be the proper officers of the Successor Agency although on the date of such 2017 Series B Refunding Bond any such person shall not have been such officer of the Successor Agency.

Only such of the 2017 Series B Refunding Bonds as shall bear thereon a Certificate of Authentication in the form set forth in Exhibit B, executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such Certificate of the Trustee shall be conclusive evidence that such 2017 Series B Refunding Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

The Trustee and the Successor Agency shall not be liable for any omission, defect or inaccuracy in the CUSIP number that appears on any 2017 Series B Refunding Bond or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the 2017 Series

B Refunding Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither the Trustee nor the Successor Agency shall be liable for any inaccuracies in such numbers.

Section 11.06. Deposit and Application of Proceeds. On the Closing Date, the Trustee shall deposit the proceeds of the 2017 Series B Refunding Bonds into a temporary account deposit called the Proceeds Fund which the Trustee shall establish, maintain and hold in trust and which shall be disbursed in full on the Closing Date (whereupon said temporary account shall be closed) which shall be deposited or transferred as follows:

- (a) The Trustee shall deposit the amount of \$_____ in the Costs of Issuance Fund.
- (b) The Trustee shall transfer the amount of \$_____, constituting the remainder of the 2017 Series B Refunding Bond proceeds, to the Escrow Bank for deposit and application in accordance with the Escrow Agreement.

The Successor Agency hereby covenants that as a result of the deposit and application of the proceeds of the 2017 Series B Refunding Bonds under the Escrow Agreement, the 2007 Series C Bonds will be refunded and defeased on the Closing Date under and in accordance with the documents authorizing the issuance thereof, and the 2007 Series C Bonds will cease to be secured by and payable from the Tax Revenues.

Section 11.07. Costs of Issuance Fund. There is hereby established a separate fund to be known as the "2017 Series B Refunding Bonds Costs of Issuance Fund" which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Successor Agency stating (a) the person to whom payment is to be made, (b) the amount to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior Written Request of the Successor Agency; in each case together with a statement or invoice for each amount requested thereunder. On the earlier of six months from the Closing Date, or the date of receipt by the Trustee of a Written Request of the Successor Agency therefor, all amounts (if any) remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and be deposited in the Redevelopment Fund.

Section 11.08. Security for 2017 Series B Refunding Bonds. The 2017 Series B Refunding Bonds shall be Parity Debt within the meaning of such term in Section 5.02 and shall be secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Property Tax Trust Fund or in the Special Fund (if applicable), in the manner and to the extent set forth in Article IV, on a parity with all other Bonds issued under this Indenture, including the 2014 Bonds.

The Successor Agency covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, instruments and transfers as may be required for the better securing, assuring, continuing, transferring, conveying, pledging, assigning and confirming unto the Owners

of the 2017 Series B Refunding Bonds or the Trustee for the Owners of the 2017 Series B Refunding Bonds, the Tax Revenues and any other collateral pledged to the payment of the principal of, premium, if any, and interest on the 2017 Series B Refunding Bonds. Except to the extent it is exempt therefrom, the Successor Agency will pay or cause to be paid all filing fees incident to such filing and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or State fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of such instruments of further assurance.

Section 11.09. Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Participating Underwriter or any holder or beneficial owner of the 2017 Series B Refunding Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section.

Section 11.10. Benefits Limited to Parties. Nothing in this Article XI, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, the Insurer and the Owners of the 2017 Series B Refunding Bonds, any right, remedy, claim under or by reason of this Article XI. Any covenants, stipulations, promises or agreements in this Article XI contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, the Insurer and the Owners of the 2017 Series B Refunding Bonds.

Section 11.11. Effect of this Article XI. Except as in this Article XI expressly provided or except to the extent inconsistent with any provision of this Article XI, the 2017 Series B Refunding Bonds shall be deemed to be Bonds under and within the meaning of Section 1.02, and every term and condition contained in the other provisions of this Indenture shall apply to the 2017 Series B Refunding Bonds with full force and effect, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Article XI.

Section 11.12. Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the 2017 Series B Refunding Bonds and the rights and benefits provided in this Indenture.

I

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, has caused this Second Supplement to be signed in its name by the City Manager and attested by the City Clerk, and U.S. BANK NATIONAL ASSOCIATION in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**SUCCESSOR AGENCY TO THE PALM
SPRINGS COMMUNITY
REDEVELOPMENT AGENCY**

By: _____
City Manager

ATTEST:

City Clerk

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

By: _____
Authorized Officer

APPENDIX A
EXHIBIT B TO INDENTURE
(FORM OF REFUNDING BOND)

No. _____

\$ _____

**SUCCESSOR AGENCY TO THE
PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
TAXABLE TAX ALLOCATION REFUNDING PARITY BONDS,
2017 SERIES B**

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:
 September 1, _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, a public entity, duly created and existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth (15th) day of the month immediately preceding an Interest Payment Date (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before February 15, 2018, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on March 1 and September 1 in each year, commencing March 1, 2018 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon surrender of this Bond at the principal corporate trust office of U.S. Bank National Association, Los Angeles, California, as trustee (the "Trustee"), or at such other place as designated by the Trustee (the "Corporate Trust Office"). Interest hereon (including the final interest payment upon maturity or earlier

redemption hereof) is payable by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee as of the Record Date for which such Interest Payment Date occurs; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more upon written instructions of any such registered owner filed with the Trustee for that purpose prior to the Record Date preceding the applicable Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Successor Agency to the Palm Springs Community Redevelopment Agency Taxable Tax Allocation Refunding Parity Bonds, 2017 Series B" (the "Bonds"), of an aggregate principal amount of \$_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, redemption and other provisions) and all issued pursuant to the provisions of the Law (as defined in the Indenture), Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Refunding Law") and pursuant to an Indenture of Trust dated as of September 1, 2017, entered into by and between the Successor Agency and the Trustee (the "Indenture"), authorizing the issuance of the Bonds. Additional bonds, or other obligations may be issued senior to or on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law and the Refunding Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Successor Agency for the purpose of providing funds to refinance certain redevelopment activities undertaken with respect to its Project Areas (as defined in the Indenture), to fund a reserve account for the Bonds and to pay certain expenses of the Successor Agency in issuing the Bonds.

There has been created under the Law the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Tax Revenues shall be deposited and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Bonds. As and to the extent set forth in the Indenture, all such Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture and the Law, for the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds. The Bonds and any parity debt shall be additionally secured at all times by a pledge of, security interest in and lien upon Tax Revenues in the Redevelopment Property Tax Trust Fund established pursuant to the Law and administered by the Riverside County Auditor-Controller for the Successor Agency, subject to the prior rights of the Senior Obligations (as defined in the Indenture) and by a first pledge of, security interest in and lien upon all

of the moneys on the Debt Service Fund, the Interest Account, the Principal Account, the Sinking Account, the Reserve Account and the Redemption Account (as such terms are defined in the Indenture). Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

The Bonds maturing on or before September 1, 20__, are not subject to optional redemption prior to maturity. The Bonds maturing on and after September 1, 20__, are subject to redemption, at the option of the Successor Agency on any date on or after September 1, 20__, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Bonds maturing on September 1, 20__ are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following table; *provided, however,* that if some but not all of the Term Bonds have been redeemed under the redemption provision described in the preceding paragraph, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the City to the Trustee).

Sinking Fund
Redemption Date
(September 1)

Principal Amount
To Be Redeemed

As provided in the Indenture, notice of redemption shall be given by first class mail no less than 20 nor more than 60 days prior to the redemption date to the respective registered owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books maintained by the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

The Successor Agency has the right to rescind any notice of the optional redemption of Bonds by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default. The Successor Agency and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee

shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under the Indenture.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Corporate Trust Office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new fully registered Bond or Bonds, of any authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Bond during the fifteen (15) days prior to the date established for the selection of Bonds for redemption, or (b) any Bond selected for redemption.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Successor Agency and the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premium (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the registered owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Successor Agency or the Trustee for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY

PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This Bond is not a debt of the City of Palm Springs, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those of the Successor Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the Law, the Refunding Law and the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Law, the Refunding Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Successor Agency to the Palm Springs Community Redevelopment Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signature of the City Manager and attested by the facsimile signature of the City Clerk, all as of the Dated Date set forth above.

**SUCCESSOR AGENCY TO THE PALM
SPRINGS COMMUNITY
REDEVELOPMENT AGENCY**

By: _____
City Manager

ATTEST:

City Clerk

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

ESCROW AGREEMENT

Relating to

\$12,770,000

**Community Redevelopment Agency of the
City of Palm Springs
Merged Project No. 1 Tax Allocation Bonds,
2007 Series A**

This ESCROW AGREEMENT (this "Agreement"), dated as of September __, 2017, is between the SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, a public agency organized and existing under the laws of the State of California (the "Successor Agency"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, acting as escrow agent (the "Escrow Agent") and as trustee for the Refunded Bonds described below.

BACKGROUND:

1. Pursuant to Section 34172(a) of the California Health and Safety Code, the Community Redevelopment Agency of the City of Palm Springs (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and the City Council of the City of Brea has elected to serve as the successor entity to the Former Agency.

2. Prior to the dissolution of the Former Agency, the Former Agency issued its \$12,770,000 aggregate principal amount of Community Redevelopment Agency of the City of Palm Springs Merged Project No. 1 Tax Allocation Bonds, 2007 Series A (the "2007 Series A Bonds"), pursuant to a Indenture of Trust, dated as of May 1, 2004, by and between the Agency and BNY Western Trust Company, as trustee, as supplemented and amended pursuant to a First Supplement to Indenture of Trust dated as of August 1, 2007 (as supplemented and amended, the "2007 Series A Bond Indenture"), between the Former Agency and The Bank of New York Trust Company, N.A., as trustee.

3. The 2007 Series A Bonds are subject to redemption on any date and can be refunded at this time on a current basis.

4. In order to provide funds to refund the outstanding 2007 Series A Bonds, the Successor Agency has authorized the issuance of its Successor Agency to the Palm Springs Community Redevelopment Agency Tax Allocation Refunding Parity Bonds, 2017 Series A (the "2017 Series A Refunding Bonds"), under an Indenture of Trust dated as of July 1, 2014, between the Successor Agency and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by a First Supplement to Indenture of Trust dated as of September 1, 2017 (as so supplemented, the "2017 Bond Indenture"), between the Successor Agency and U.S. Bank National Association, as trustee (the "2017 Bond Trustee").

5. The Successor Agency wishes to appoint the Escrow Agent for the purpose of establishing irrevocable Escrow Fund to be funded, invested, held and administered for the purpose of providing for the refunding of the outstanding 2007 Series A Bonds (the "Refunded Bonds"), as set forth in this Agreement.

A G R E E M E N T :

In consideration of the premises and the material covenants contained herein, the Successor Agency and the Escrow Agent hereby agree as follows:

SECTION 1. *Appointment of Escrow Agent.* The Successor Agency hereby appoints the Escrow Agent to act as escrow agent for purposes of administering the funds required to refund the Refunded Bonds in accordance with the 2007 Series A Bond Indenture.

SECTION 2. *Establishment of Escrow Fund.* The Escrow Agent is hereby directed to establish an escrow fund (the "Escrow Fund") for the refunding of the outstanding Refunded Bonds. The Escrow Fund shall be held in trust as an irrevocable escrow for the uses and purposes set forth herein. If at any time the Escrow Agent receives actual knowledge that the cash and securities in the Escrow Fund will not be sufficient to make any payment required by Section 6, the Escrow Agent shall notify the Successor Agency of such fact and the Successor Agency shall immediately cure such deficiency from any source of legally available funds. The Escrow Agent has no liability for any such insufficiency.

SECTION 3. *Deposit of Amounts in Escrow Fund.* On September __, 2017 (the "Closing Date"), the Successor Agency shall cause to be transferred to the Escrow Agent for deposit into the Escrow Fund the amount of \$_____ in immediately available funds, to be derived from the following sources in the following respective amounts:

- (a) from the proceeds of the 2017 Series A Refunding Bonds in the amount of \$_____; and
- (b) from tax increment revenues held in respect of the payment of debt service on the 2007 Series A Bonds in the amount of \$_____.

SECTION 4. *Investment of Amounts in Escrow Fund.* The Escrow Agent shall hold the amount of \$_____ on deposited in the Escrow Fund in cash, uninvested.

The Escrow Agent has no power or duty to invest any funds held under this Escrow Agreement except as provided in this Section. The Escrow Agent has no power or duty to transfer or otherwise dispose of the moneys held hereunder except as provided in this Agreement.

SECTION 6. *Application of Amounts in Escrow Fund.* The Escrow Agent, in its capacity as trustee for the Refunded Bonds, shall apply the amounts on deposit in the Escrow Fund to pay and redeem the Refunded Bonds in accordance with the following schedule:

<u>Payment Date</u>	<u>Interest Payment</u>	<u>Redeemed Principal</u>	<u>Total Payment</u>
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Following the payment and redemption in respect of the Refunded Bonds, the Escrow Agent shall transfer any amounts remaining on deposit in the Escrow Fund to the 2017 Bond Trustee to be applied to pay interest next coming due and payable on the 2017 Series A Refunding Bonds.

SECTION 7. *Irrevocable Election to Redeem Refunded Bonds.* The Successor Agency hereby irrevocably elects to redeem the Refunded Bonds on _____, 2017, in accordance with Section 10.04(a) of the 2007 Series A Bond Indenture.

Notice of redemption of the Refunded Bonds shall be given by the Escrow Agent, in its capacity as the trustee for each respective issue of the Refunded Bonds, in accordance with the provisions of Section 10.04 of the 2007 Series A Bond Indenture, at the expense of the Successor Agency.

SECTION 8. *Resignation of Escrow Agent.* The Escrow Agent may at any time resign by giving written notice of such resignation to the Successor Agency, and 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 at the expense of the Successor Agency 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 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.

SECTION 9. *Compensation to Escrow Agent.* The Successor Agency shall pay the Escrow Agent full compensation for its services under this Agreement, including reimbursing the Escrow Agent for its out-of-pocket costs such as publication costs, legal fees and other costs and expenses relating hereto and, in addition, all fees, costs and expenses relating to the purchase, substitution or withdrawal of any Escrow Securities after the date hereof. Under no circumstances shall amounts deposited in or credited to the Escrow Fund be deemed to be available for said purposes. The Escrow Agent has no lien upon or right of set off against the cash and Escrow Securities at any time on deposit in the Escrow Fund.

The Successor Agency shall indemnify, defend and hold harmless the Escrow Agent and its officers, directors, employees, representatives and agents, from and against and reimburse the Escrow Agent for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys' and agents' fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Escrow Agent directly or indirectly relating to, or arising from, claims against the Escrow Agent by

reason of its participation in the transactions contemplated hereby, except to the extent caused by the Escrow Agent's gross negligence or willful misconduct. The provisions of this Section shall survive the termination of this Agreement or the earlier resignation or removal of the Escrow Agent.

SECTION 10. *Immunities and Liability of Escrow Agent.* The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement and no implied duties, covenants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent shall not have any liability hereunder except to the extent of its gross 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 made by it in accordance with the terms of this Agreement. The Escrow Agent may consult with legal counsel of its own choice and the Escrow Agent shall not be liable for any action taken or not taken by it in good faith in reliance upon the opinion or advice of such counsel. The Escrow Agent shall not be liable for the recitals or representations contained in this Agreement and shall not be responsible for the validity of this Agreement, the sufficiency of the Escrow Fund or the moneys and Escrow Securities to pay the principal, interest and redemption price of the Refunded Bonds.

Whenever in the administration of this Agreement the Escrow Agent deems it necessary or desirable that a matter be proved or established prior to taking or not taking any action, such matter may be deemed to be conclusively proved and established by a certificate of an authorized representative of the Successor Agency and shall be full protection for any action taken or not taken by the Escrow Agent in good faith reliance thereon.

The Escrow Agent may conclusively rely as to the truth and accuracy of the statements and correctness of any opinions or calculations provided to it in connection with this Agreement and shall be protected in acting, or refraining from acting, upon any notice, instruction, request, certificate, document, opinion or other writing furnished to the Escrow Agent in connection with this Agreement and believed by the Escrow Agent to be signed by the proper party, and it need not investigate any fact or matter stated therein.

None of the provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed. The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of *force majeure*. The term "*force majeure*" means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. *Force majeure* includes acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

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 Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions made by the Escrow Agent hereunder.

If the Escrow Agent learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of securities that is to be submitted pursuant hereto, the Escrow Agent shall promptly request alternative written investment instructions from the Successor Agency with respect to escrowed funds which were to be invested in securities. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold funds uninvested and without liability for interest until receipt of further written instructions from the Successor Agency. In the absence of investment instructions from the Successor Agency, the Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Escrow Agent may conclusively rely upon the Successor Agency's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the Successor Agency the alternative investments or for compliance with any yield restriction applicable thereto.

SECTION 11. *Purpose of Agreement; Amendment.* This Agreement is entered into by the Successor Agency for the purpose of providing funds to discharge and defease the Refunded Bonds under and with the effect set forth in the 2003 Bond Indenture, the 2011 Series A Bond Indenture and the 2011 Series B Bond Indenture, respectively. The Successor Agency hereby certifies its intention to discharge all indebtedness represented by the Refunded Bonds under the respective provisions of the 2003 Bond Indenture, the 2011 Series A Bond Indenture and the 2011 Series B Bond Indenture.

This Agreement may be amended by the parties hereto, but only if there shall have been filed with the Successor Agency and the Escrow Agent a written opinion of Bond Counsel stating that such amendment will not materially adversely affect the interests of the owners of the Refunded Bonds, and that such amendment will not cause interest on the Refunded Bonds or the Series A Bonds to become includable in the gross income of the owners thereof for federal income tax purposes.

SECTION 12. *Termination of Agreement.* Upon payment in full of the principal of and interest and redemption price of the Refunded Bonds, and upon payment of all fees, expenses and charges of the Escrow Agent as described above, this Agreement shall

terminate and the Escrow Agent shall be discharged from any further obligation or responsibility hereunder.

SECTION 13. *Execution in Counterparts.* This 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.

SECTION 14. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

**SUCCESSOR AGENCY TO THE PALM
SPRINGS COMMUNITY
REDEVELOPMENT AGENCY**

By: _____
City Manager

U.S. BANK NATIONAL ASSOCIATION,
*as Escrow Agent and as Trustee for the
Refunded Bonds*

By _____
Authorized Officer

ESCROW AGREEMENT

Relating to

\$6,495,000

**Community Redevelopment Agency of the
City of Palm Springs
Merged Project No. 2 Taxable Tax Allocation Bonds,
2007 Series C**

This ESCROW AGREEMENT (this "Agreement"), dated as of September __, 2017, is between the SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, a public agency organized and existing under the laws of the State of California (the "Successor Agency"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, acting as escrow agent (the "Escrow Agent") and as trustee for the Refunded Bonds described below.

BACKGROUND:

1. Pursuant to Section 34172(a) of the California Health and Safety Code, the Community Redevelopment Agency of the City of Palm Springs (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and the City Council of the City of Brea has elected to serve as the successor entity to the Former Agency.

2. Prior to the dissolution of the Former Agency, the Former Agency issued its \$6,495,000 aggregate principal amount of Community Redevelopment Agency of the City of Palm Springs Merged Project No. 2 Taxable Tax Allocation Bonds, 2007 Series C (the "2007 Series C Bonds"), pursuant to a Indenture of Trust, dated as of May 1, 2004, between the Agency and BNY Western Trust Company, as trustee, as supplemented and amended pursuant to a First Supplement to Indenture of Trust dated as of August 1, 2007 (as supplemented and amended, the "2007 Series C Bond Indenture"), between the Former Agency and The Bank of New York Trust Company, N.A., as trustee.

3. The 2007 Series C Bonds are subject to redemption on any date and can be refunded at this time on a current basis.

4. In order to provide funds to refund the outstanding 2007 Series C Bonds, the Successor Agency has authorized the issuance of its Successor Agency to the Palm Springs Community Redevelopment Agency Taxable Tax Allocation Refunding Parity Bonds, 2017 Series B (the "2017 Series B Refunding Bonds"), under an Indenture of Trust dated as of July 1, 2014, between the Successor Agency and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by a First Supplement to Indenture of Trust dated as of September 1, 2017 (as so supplemented, the "2017 Bond Indenture"), between the Successor Agency and U.S. Bank National Association, as trustee (the "2017 Bond Trustee").

5. The Successor Agency wishes to appoint the Escrow Agent for the purpose of establishing irrevocable Escrow Fund to be funded, invested, held and administered for the purpose of providing for the refunding of the outstanding 2007 Series C Bonds (the "Refunded Bonds"), as set forth in this Agreement.

A G R E E M E N T :

In consideration of the premises and the material covenants contained herein, the Successor Agency and the Escrow Agent hereby agree as follows:

SECTION 1. *Appointment of Escrow Agent.* The Successor Agency hereby appoints the Escrow Agent to act as escrow agent for purposes of administering the funds required to refund the Refunded Bonds in accordance with the 2007 Series C Bond Indenture.

SECTION 2. *Establishment of Escrow Fund.* The Escrow Agent is hereby directed to establish an escrow fund (the "Escrow Fund") for the refunding of the outstanding Refunded Bonds. The Escrow Fund shall be held in trust as an irrevocable escrow for the uses and purposes set forth herein. If at any time the Escrow Agent receives actual knowledge that the cash and securities in the Escrow Fund will not be sufficient to make any payment required by Section 6, the Escrow Agent shall notify the Successor Agency of such fact and the Successor Agency shall immediately cure such deficiency from any source of legally available funds. The Escrow Agent has no liability for any such insufficiency.

SECTION 3. *Deposit of Amounts in Escrow Fund.* On September __, 2017 (the "Closing Date"), the Successor Agency shall cause to be transferred to the Escrow Agent for deposit into the Escrow Fund the amount of \$_____ in immediately available funds, to be derived from the following sources in the following respective amounts:

- (a) from the proceeds of the 2017 Series B Refunding Bonds in the amount of \$_____; and
- (b) from tax increment revenues held in respect of the payment of debt service on the 2007 Series C Bonds in the amount of \$_____.

SECTION 4. *Investment of Amounts in Escrow Fund.* The Escrow Agent shall hold the amount of \$_____ on deposited in the Escrow Fund in cash, uninvested.

The Escrow Agent has no power or duty to invest any funds held under this Escrow Agreement except as provided in this Section. The Escrow Agent has no power or duty to transfer or otherwise dispose of the moneys held hereunder except as provided in this Agreement.

SECTION 6. *Application of Amounts in Escrow Fund.* The Escrow Agent, in its capacity as trustee for the Refunded Bonds, shall apply the amounts on deposit in the Escrow Fund to pay and redeem the Refunded Bonds in accordance with the following schedule:

<u>Payment Date</u>	<u>Interest Payment</u>	<u>Redeemed Principal</u>	<u>Total Payment</u>
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Following the payment and redemption in respect of the Refunded Bonds, the Escrow Agent shall transfer any amounts remaining on deposit in the Escrow Fund to the 2017 Bond Trustee to be applied to pay interest next coming due and payable on the 2017 Series B Refunding Bonds.

SECTION 7. *Irrevocable Election to Redeem Refunded Bonds.* The Successor Agency hereby irrevocably elects to redeem the Refunded Bonds on _____, 2017, in accordance with Section 10.04(a) of the 2007 Series C Bond Indenture.

Notice of redemption of the Refunded Bonds shall be given by the Escrow Agent, in its capacity as the trustee for each respective issue of the Refunded Bonds, in accordance with the provisions of Section 10.04 of the 2007 Series C Bond Indenture, at the expense of the Successor Agency.

SECTION 8. *Resignation of Escrow Agent.* The Escrow Agent may at any time resign by giving written notice of such resignation to the Successor Agency, and 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 at the expense of the Successor Agency 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 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.

SECTION 9. *Compensation to Escrow Agent.* The Successor Agency shall pay the Escrow Agent full compensation for its services under this Agreement, including reimbursing the Escrow Agent for its out-of-pocket costs such as publication costs, legal fees and other costs and expenses relating hereto and, in addition, all fees, costs and expenses relating to the purchase, substitution or withdrawal of any Escrow Securities after the date hereof. Under no circumstances shall amounts deposited in or credited to the Escrow Fund be deemed to be available for said purposes. The Escrow Agent has no lien upon or right of set off against the cash and Escrow Securities at any time on deposit in the Escrow Fund.

The Successor Agency shall indemnify, defend and hold harmless the Escrow Agent and its officers, directors, employees, representatives and agents, from and against and reimburse the Escrow Agent for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys' and agents' fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Escrow Agent directly or indirectly relating to, or arising from, claims against the Escrow Agent by

reason of its participation in the transactions contemplated hereby, except to the extent caused by the Escrow Agent's gross negligence or willful misconduct. The provisions of this Section shall survive the termination of this Agreement or the earlier resignation or removal of the Escrow Agent.

SECTION 10. *Immunities and Liability of Escrow Agent.* The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement and no implied duties, covenants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent shall not have any liability hereunder except to the extent of its gross 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 made by it in accordance with the terms of this Agreement. The Escrow Agent may consult with legal counsel of its own choice and the Escrow Agent shall not be liable for any action taken or not taken by it in good faith in reliance upon the opinion or advice of such counsel. The Escrow Agent shall not be liable for the recitals or representations contained in this Agreement and shall not be responsible for the validity of this Agreement, the sufficiency of the Escrow Fund or the moneys and Escrow Securities to pay the principal, interest and redemption price of the Refunded Bonds.

Whenever in the administration of this Agreement the Escrow Agent deems it necessary or desirable that a matter be proved or established prior to taking or not taking any action, such matter may be deemed to be conclusively proved and established by a certificate of an authorized representative of the Successor Agency and shall be full protection for any action taken or not taken by the Escrow Agent in good faith reliance thereon.

The Escrow Agent may conclusively rely as to the truth and accuracy of the statements and correctness of any opinions or calculations provided to it in connection with this Agreement and shall be protected in acting, or refraining from acting, upon any notice, instruction, request, certificate, document, opinion or other writing furnished to the Escrow Agent in connection with this Agreement and believed by the Escrow Agent to be signed by the proper party, and it need not investigate any fact or matter stated therein.

None of the provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed. The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of *force majeure*. The term "*force majeure*" means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. *Force majeure* includes acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

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 Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions made by the Escrow Agent hereunder.

If the Escrow Agent learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of securities that is to be submitted pursuant hereto, the Escrow Agent shall promptly request alternative written investment instructions from the Successor Agency with respect to escrowed funds which were to be invested in securities. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold funds uninvested and without liability for interest until receipt of further written instructions from the Successor Agency. In the absence of investment instructions from the Successor Agency, the Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Escrow Agent may conclusively rely upon the Successor Agency's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the Successor Agency the alternative investments or for compliance with any yield restriction applicable thereto.

SECTION 11. *Purpose of Agreement; Amendment.* This Agreement is entered into by the Successor Agency for the purpose of providing funds to discharge and defease the Refunded Bonds under and with the effect set forth in the 2003 Bond Indenture, the 2011 Series A Bond Indenture and the 2011 Series B Bond Indenture, respectively. The Successor Agency hereby certifies its intention to discharge all indebtedness represented by the Refunded Bonds under the respective provisions of the 2003 Bond Indenture, the 2011 Series A Bond Indenture and the 2011 Series B Bond Indenture.

This Agreement may be amended by the parties hereto, but only if there shall have been filed with the Successor Agency and the Escrow Agent a written opinion of Bond Counsel stating that such amendment will not materially adversely affect the interests of the owners of the Refunded Bonds, and that such amendment will not cause interest on the Refunded Bonds or the Series A Bonds to become includable in the gross income of the owners thereof for federal income tax purposes.

SECTION 12. *Termination of Agreement.* Upon payment in full of the principal of and interest and redemption price of the Refunded Bonds, and upon payment of all fees, expenses and charges of the Escrow Agent as described above, this Agreement shall

terminate and the Escrow Agent shall be discharged from any further obligation or responsibility hereunder.

SECTION 13. *Execution in Counterparts.* This 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.

SECTION 14. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

**SUCCESSOR AGENCY TO THE PALM
SPRINGS COMMUNITY
REDEVELOPMENT AGENCY**

By: _____
City Manager

U.S. BANK NATIONAL ASSOCIATION,
*as Escrow Agent and as Trustee for the
Refunded Bonds*

By _____
Authorized Officer

SOURCES AND USES OF FUNDS

Successor Agency to the Palm Springs Community Redevelopment Agency
 2017 Tax Allocation Refunding Bonds
 Debt Service Savings Analysis for July 26, 2017 Successor Agency Agenda

Dated Date 11/01/2017
 Delivery Date 11/01/2017

Sources:	2007 Series A	2007 Series C	Total
Bond Proceeds:			
Par Amount	11,580,000.00	5,595,000.00	17,175,000.00
Net Premium	1,337,508.05		1,337,508.05
	<u>12,917,508.05</u>	<u>5,595,000.00</u>	<u>18,512,508.05</u>
Uses:			
Refunding Escrow Deposits:			
Cash Deposit	12,544,407.36	5,425,569.08	17,969,976.44
Delivery Date Expenses:			
Cost of Issuance	144,960.70	70,039.30	215,000.00
Underwriter's Discount	69,480.00	36,367.50	105,847.50
Bond Insurance	125,354.53	45,775.56	171,130.09
Surety Bond Premium	32,221.19	15,568.01	47,789.20
	<u>372,016.42</u>	<u>167,750.37</u>	<u>539,766.79</u>
Other Uses of Funds:			
Rounding Amount	1,084.27	1,680.55	2,764.82
	<u>12,917,508.05</u>	<u>5,595,000.00</u>	<u>18,512,508.05</u>

Note: Rates as of July 2017

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Palm Springs Community Redevelopment Agency
 2017 Tax Allocation Refunding Bonds
 Debt Service Savings Analysis for July 26, 2017 Successor Agency Agenda

	2007 Series A	2007 Series C	Total
Dated Date	11/01/2017	11/01/2017	11/01/2017
Delivery Date	11/01/2017	11/01/2017	11/01/2017
Arbitrage Yield	3.228533%	3.228533%	3.228533%
Escrow Yield			
Value of Negative Arbitrage			
Bond Par Amount	11,580,000.00	5,595,000.00	17,175,000.00
True Interest Cost	3.051566%	3.781353%	3.254620%
Net Interest Cost	3.240316%	3.796981%	3.400195%
All-In TIC	3.316521%	4.093032%	3.532547%
Average Coupon	4.195732%	3.728976%	4.061675%
Average Life	11.461	9.558	10.841
Par amount of refunded bonds	12,420,000.00	5,355,000.00	17,775,000.00
Average coupon of refunded bonds	4.959322%	6.411000%	5.364206%
Average life of refunded bonds	11.469	10.289	11.114
PV of prior debt	14,871,086.50	6,532,109.44	
Net PV Savings	1,911,368.56	1,000,133.56	2,911,502.12
Percentage savings of refunded bonds	15.389441%	18.676630%	16.379759%

BOND PRICING

Successor Agency to the Palm Springs Community Redevelopment Agency
 2007 Series A
 Debt Service Savings Analysis for July 26, 2017 Successor Agency Agenda

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Call Date	Call Price
Serial Bonds (Tax-Exempt):							
	09/01/2018	390,000	3.000%	0.970%	101.679		
	09/01/2019	310,000	4.000%	1.150%	105.154		
	09/01/2020	305,000	4.000%	1.280%	107.543		
	09/01/2021	175,000	5.000%	1.430%	113.268		
	09/01/2022	160,000	5.000%	1.560%	115.953		
		<u>1,340,000</u>					
Insured Serial Bonds (Tax-Exempt):							
	09/01/2023	115,000	5.000%	1.720%	118.128		
	09/01/2024	570,000	5.000%	1.900%	119.775		
	09/01/2025	110,000	5.000%	2.050%	121.245		
	09/01/2026	855,000	5.000%	2.250%	121.915		
	09/01/2027	905,000	5.000%	2.380%	122.846		
	09/01/2028	950,000	5.000%	2.490%	121.769	C 09/01/2027	100.000
	09/01/2029	1,000,000	5.000%	2.610%	120.606	C 09/01/2027	100.000
	09/01/2030	1,045,000	5.000%	2.720%	119.552	C 09/01/2027	100.000
	09/01/2031	1,115,000	3.000%	3.170%	98.105		
	09/01/2032	1,155,000	3.000%	3.240%	97.188		
	09/01/2033	1,190,000	4.000%	3.330%	105.575	C 09/01/2027	100.000
	09/01/2034	1,230,000	4.000%	3.390%	105.061	C 09/01/2027	100.000
		<u>10,240,000</u>					
		<u>11,580,000</u>					

Dated Date	11/01/2017	
Delivery Date	11/01/2017	
First Coupon	03/01/2018	
Par Amount	11,580,000.00	
Premium	1,337,508.05	
Production	12,917,508.05	111.550156%
Underwriter's Discount	(69,480.00)	(0.600000%)
Purchase Price	12,848,028.05	110.950156%
Accrued Interest		
Net Proceeds	12,848,028.05	

BOND PRICING

Successor Agency to the Palm Springs Community Redevelopment Agency
 2007 Series C
 Debt Service Savings Analysis for July 26, 2017 Successor Agency Agenda

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Taxable Serial Bonds:					
	09/01/2018	290,000	1.898%	1.898%	100.000
	09/01/2019	260,000	2.298%	2.298%	100.000
	09/01/2020	270,000	2.597%	2.597%	100.000
	09/01/2021	275,000	2.808%	2.808%	100.000
	09/01/2022	285,000	2.958%	2.958%	100.000
		<u>1,380,000</u>			
Insured Taxable Serial Bonds:					
	09/01/2023	290,000	2.928%	2.928%	100.000
	09/01/2024	300,000	3.078%	3.078%	100.000
	09/01/2025	305,000	3.205%	3.205%	100.000
	09/01/2026	315,000	3.355%	3.355%	100.000
	09/01/2027	330,000	3.455%	3.455%	100.000
	09/01/2028	340,000	3.605%	3.605%	100.000
	09/01/2029	355,000	3.755%	3.755%	100.000
	09/01/2030	365,000	3.855%	3.855%	100.000
	09/01/2031	380,000	3.955%	3.955%	100.000
	09/01/2032	400,000	4.055%	4.055%	100.000
	09/01/2033	410,000	4.155%	4.155%	100.000
	09/01/2034	425,000	4.255%	4.255%	100.000
		<u>4,215,000</u>			
		<u>5,595,000</u>			

Dated Date	11/01/2017	
Delivery Date	11/01/2017	
First Coupon	03/01/2018	
Par Amount	5,595,000.00	
Original Issue Discount		
Production	5,595,000.00	100.000000%
Underwriter's Discount	(36,367.50)	(0.650000%)
Purchase Price	5,558,632.50	99.350000%
Accrued Interest		
Net Proceeds	5,558,632.50	

BOND DEBT SERVICE

Successor Agency to the Palm Springs Community Redevelopment Agency
2017 Tax Allocation Refunding Bonds
Debt Service Savings Analysis for July 26, 2017 Successor Agency Agenda

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2018	680,000	** %	571,324.71	1,251,324.71
09/01/2019	570,000	** %	668,385.46	1,238,385.46
09/01/2020	575,000	** %	650,010.66	1,225,010.66
09/01/2021	450,000	** %	630,798.76	1,080,798.76
09/01/2022	445,000	** %	614,326.76	1,059,326.76
09/01/2023	405,000	** %	597,896.46	1,002,896.46
09/01/2024	870,000	** %	583,655.26	1,453,655.26
09/01/2025	415,000	** %	545,921.26	960,921.26
09/01/2026	1,170,000	** %	530,646.00	1,700,646.00
09/01/2027	1,235,000	** %	477,327.76	1,712,327.76
09/01/2028	1,290,000	** %	420,676.26	1,710,676.26
09/01/2029	1,355,000	** %	360,919.26	1,715,919.26
09/01/2030	1,410,000	** %	297,589.00	1,707,589.00
09/01/2031	1,495,000	** %	231,268.26	1,726,268.26
09/01/2032	1,555,000	** %	182,789.26	1,737,789.26
09/01/2033	1,600,000	** %	131,919.26	1,731,919.26
09/01/2034	1,655,000	** %	67,283.76	1,722,283.76
	17,175,000		7,562,738.15	24,737,738.15

BOND DEBT SERVICE

Successor Agency to the Palm Springs Community Redevelopment Agency
2007 Series A
Debt Service Savings Analysis for July 26, 2017 Successor Agency Agenda

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2018	390,000	3.000%	412,875	802,875
09/01/2019	310,000	4.000%	483,750	793,750
09/01/2020	305,000	4.000%	471,350	776,350
09/01/2021	175,000	5.000%	459,150	634,150
09/01/2022	160,000	5.000%	450,400	610,400
09/01/2023	115,000	5.000%	442,400	557,400
09/01/2024	570,000	5.000%	436,650	1,006,650
09/01/2025	110,000	5.000%	408,150	518,150
09/01/2026	855,000	5.000%	402,650	1,257,650
09/01/2027	905,000	5.000%	359,900	1,264,900
09/01/2028	950,000	5.000%	314,650	1,264,650
09/01/2029	1,000,000	5.000%	267,150	1,267,150
09/01/2030	1,045,000	5.000%	217,150	1,262,150
09/01/2031	1,115,000	3.000%	164,900	1,279,900
09/01/2032	1,155,000	3.000%	131,450	1,286,450
09/01/2033	1,190,000	4.000%	96,800	1,286,800
09/01/2034	1,230,000	4.000%	49,200	1,279,200
	11,580,000		5,568,575	17,148,575

BOND DEBT SERVICE

Successor Agency to the Palm Springs Community Redevelopment Agency
2007 Series C
Debt Service Savings Analysis for July 26, 2017 Successor Agency Agenda

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2018	290,000	1.898%	158,449.71	448,449.71
09/01/2019	260,000	2.298%	184,635.46	444,635.46
09/01/2020	270,000	2.597%	178,660.66	448,660.66
09/01/2021	275,000	2.808%	171,648.76	446,648.76
09/01/2022	285,000	2.958%	163,926.76	448,926.76
09/01/2023	290,000	2.928%	155,496.46	445,496.46
09/01/2024	300,000	3.078%	147,005.26	447,005.26
09/01/2025	305,000	3.205%	137,771.26	442,771.26
09/01/2026	315,000	3.355%	127,996.00	442,996.00
09/01/2027	330,000	3.455%	117,427.76	447,427.76
09/01/2028	340,000	3.605%	106,026.26	446,026.26
09/01/2029	355,000	3.755%	93,769.26	448,769.26
09/01/2030	365,000	3.855%	80,439.00	445,439.00
09/01/2031	380,000	3.955%	66,368.26	446,368.26
09/01/2032	400,000	4.055%	51,339.26	451,339.26
09/01/2033	410,000	4.155%	35,119.26	445,119.26
09/01/2034	425,000	4.255%	18,083.76	443,083.76
	5,595,000		1,994,163.15	7,589,163.15

SAVINGS

Successor Agency to the Palm Springs Community Redevelopment Agency
2017 Tax Allocation Refunding Bonds
Debt Service Savings Analysis for July 26, 2017 Successor Agency Agenda

Date	Prior Debt Service	Refunding Debt Service	Savings
09/01/2018	1,473,534.06	1,251,324.71	222,209.35
09/01/2019	1,462,648.70	1,238,385.46	224,263.24
09/01/2020	1,450,916.02	1,225,010.66	225,905.36
09/01/2021	1,302,790.42	1,080,798.76	221,991.66
09/01/2022	1,279,279.96	1,059,326.76	219,953.20
09/01/2023	1,225,464.10	1,002,896.46	222,567.64
09/01/2024	1,677,461.60	1,453,655.26	223,806.34
09/01/2025	1,182,797.46	960,921.26	221,876.20
09/01/2026	1,928,096.66	1,700,646.00	227,450.66
09/01/2027	1,933,863.66	1,712,327.76	221,535.90
09/01/2028	1,935,848.46	1,710,676.26	225,172.20
09/01/2029	1,939,051.06	1,715,919.26	223,131.80
09/01/2030	1,933,150.90	1,707,589.00	225,561.90
09/01/2031	1,948,468.56	1,726,268.26	222,200.30
09/01/2032	1,958,683.46	1,737,789.26	220,894.20
09/01/2033	1,953,725.06	1,731,919.26	221,805.80
09/01/2034	1,944,163.90	1,722,283.76	221,880.14
	28,529,944.04	24,737,738.15	3,792,205.89

Savings Summary

Savings PV date	11/01/2017
PV of savings from cash flow	2,908,737.30
Plus: Refunding funds on hand	2,764.82
Net PV Savings	2,911,502.12

SAVINGS

Successor Agency to the Palm Springs Community Redevelopment Agency
2007 Series A
Debt Service Savings Analysis for July 26, 2017 Successor Agency Agenda

Date	Prior Debt Service	Refunding Debt Service	Savings
09/01/2018	945,225.00	802,875.00	142,350.00
09/01/2019	936,200.00	793,750.00	142,450.00
09/01/2020	921,968.76	776,350.00	145,618.76
09/01/2021	777,306.26	634,150.00	143,156.26
09/01/2022	752,900.00	610,400.00	142,500.00
09/01/2023	699,150.00	557,400.00	141,750.00
09/01/2024	1,152,175.00	1,006,650.00	145,525.00
09/01/2025	659,500.00	518,150.00	141,350.00
09/01/2026	1,402,750.00	1,257,650.00	145,100.00
09/01/2027	1,407,750.00	1,264,900.00	142,850.00
09/01/2028	1,410,250.00	1,264,650.00	145,600.00
09/01/2029	1,410,250.00	1,267,150.00	143,100.00
09/01/2030	1,407,750.00	1,262,150.00	145,600.00
09/01/2031	1,422,750.00	1,279,900.00	142,850.00
09/01/2032	1,429,250.00	1,286,450.00	142,800.00
09/01/2033	1,427,500.00	1,286,800.00	140,700.00
09/01/2034	1,422,750.00	1,279,200.00	143,550.00
	19,585,425.02	17,148,575.00	2,436,850.02

Savings Summary

Savings PV date	11/01/2017
Savings PV rate	2.954940%
PV of savings from cash flow	1,910,284.29
Plus: Refunding funds on hand	1,084.27
Net PV Savings	1,911,368.56

SAVINGS

Successor Agency to the Palm Springs Community Redevelopment Agency
2007 Series C
Debt Service Savings Analysis for July 26, 2017 Successor Agency Agenda

Date	Prior Debt Service	Refunding Debt Service	Savings
09/01/2018	528,309.06	448,449.71	79,859.35
09/01/2019	526,448.70	444,635.46	81,813.24
09/01/2020	528,947.26	448,660.66	80,286.60
09/01/2021	525,484.16	446,648.76	78,835.40
09/01/2022	526,379.96	448,926.76	77,453.20
09/01/2023	526,314.10	445,496.46	80,817.64
09/01/2024	525,286.60	447,005.26	78,281.34
09/01/2025	523,297.46	442,771.26	80,526.20
09/01/2026	525,346.66	442,996.00	82,350.66
09/01/2027	526,113.66	447,427.76	78,685.90
09/01/2028	525,598.46	446,026.26	79,572.20
09/01/2029	528,801.06	448,769.26	80,031.80
09/01/2030	525,400.90	445,439.00	79,961.90
09/01/2031	525,718.56	446,368.26	79,350.30
09/01/2032	529,433.46	451,339.26	78,094.20
09/01/2033	526,225.06	445,119.26	81,105.80
09/01/2034	521,413.90	443,083.76	78,330.14
	8,944,519.02	7,589,163.15	1,355,355.87

Savings Summary

Savings PV date	11/01/2017
Savings PV rate	3.839776%
PV of savings from cash flow	998,453.01
Plus: Refunding funds on hand	1,680.55
Net PV Savings	1,000,133.56