Public Financing Authority Meeting Agenda

OCTOBER 11, 2016
6:00 p.m.
City of Turlock Yosemite Room
156 S. Broadway, Turlock, California

Chairman
Gary Soiseth

Agency Members
William DeHart, Jr. **Steven Nascimento**
Matthew Jacob **Amy Bublak**

City Manager
Gary R. Hampton
City Clerk
Kellie E. Weaver
City Attorney
Phaedra A. Norton

NOTICE REGARDING NON-ENGLISH SPEAKERS: The Turlock Public Financing Authority meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

EQUAL ACCESS POLICY: If you have a disability which affects your access to public facilities or services, please contact the City Clerk's Office at (209) 668-5540. The City is committed to taking all reasonable measures to provide access to its facilities and services. Please allow sufficient time for the City to process and respond to your request.

NOTICE: Pursuant to California Government Code Section 54954.3, any member of the public may directly address the Public Financing Authority on any item appearing on the agenda, including Consent Calendar and Public Hearing items, before or during the Public Financing Authority's consideration of the item.

AGENDA PACKETS: Prior to the Public Financing Authority meeting, a complete Agenda Packet is available for review on the City's website at www.cityofturlock.org and in the City Clerk's Office at 156 S. Broadway, Suite 230, Turlock, during normal business hours. Materials related to an item on this Agenda submitted to the Council after distribution of the Agenda Packet are also available for public inspection in the City Clerk's Office. Such documents may be available on the City's website subject to staff's ability to post the documents before the meeting.

1. CALL TO ORDER

2. PUBLIC PARTICIPATION:

This is the time set aside for members of the public to directly address the Public Financing Authority on any item of interest to the public, before or during the Agency's consideration of the item, that is within the subject matter jurisdiction of the Public Financing Authority. You will be allowed five (5) minutes for your comments. If you wish to speak regarding an item on the agenda, you may be asked to defer your remarks until the Agency addresses the matter.

No action or discussion may be undertaken on any item not appearing on the posted agenda, except that Agency may refer the matter to staff or request it be placed on a future agenda.

3. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS:

4. CONSENT CALENDAR:

Information concerning the consent items listed hereinbelow has been forwarded to each Agency Member prior to this meeting for study. Unless the Chairman, an Agency Member or member of the audience has questions concerning the Consent Calendar, the items are approved at one time by the Agency. The action taken by the Agency in approving the consent items is set forth in the explanation of the individual items.

A. *Motion*: Accepting Minutes of Regular Meeting of the Public Financing Authority of September 24, 2013

5. PUBLIC HEARINGS: None

6. SCHEDULED MATTERS:

A. Request to authorize the Execution and Delivery of an Escrow Agreement in Connection with the Refunding of Bonds Issued by the Authority in 1999, 2006 and 2011 and Take Related Actions. (*Lorenzi*)

***Recommended Action*:**
Resolution: Authorizing the Execution and Delivery of an Escrow Agreement in Connection with the Refunding of Bonds Issued by the Authority in 1999, 2006 and 2011 and Taking Related Actions

7. ADJOURNMENT

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DRAFT

September 24, 2013
6:00 p.m.
City of Turlock Yosemite Room
156 S. Broadway, Turlock, California

MINUTES
Regular Meeting
Turlock Public Financing Authority

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1. **CALL TO ORDER** – Mayor Lazar called the meeting to order at 7:19 p.m.
   PRESENT: Agency Members Amy Bublak, Bill DeHart, Mary Jackson, Forrest White and Chairman Lazar
   ABSENT: None

2. **CITIZEN PARTICIPATION:** None

3. **DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS**: None

4. **CONSENT CALENDAR:**

   Action: Motion by Agency Member DeHart, seconded by Agency Member White, and unanimously carried to adopt the consent calendar as follows:

   A. *Motion*: Accepting Minutes of Regular Meeting of September 25, 2012
   B. **Resolution No. PFA-2013-001** Cancelling the Public Financing Authority meeting scheduled for Tuesday, November 26, 2013
   C. **Resolution No. PFA-2013-002** Superceding and replacing Resolution No. PFA-2010-001 and adopting an amended regular meeting schedule for the Turlock Public Financing Authority

5. **SCHEDULED MATTERS:** None

6. **ADJOURNMENT**

   Chairman Lazar adjourned the meeting at 7:20 p.m.

RESPECTFULLY SUBMITTED

_____
Kellie E. Weaver
City Clerk

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Turlock Public Financing Authority
Agenda Synopsis

million acts of kindness

October 11, 2016

From: Kellie Jacobs-Hunter
Administrative Services Director

Prepared by: Marie Lorenzi, Senior Accountant

Agendized by: Gary R. Hampton, Executive Director

1. ACTION RECOMMENDED:

Resolution: Authorizing the Execution and Delivery of an Escrow Agreement in Connection with the Refunding of Bonds Issued by the Authority in 1999, 2006 and 2011 and Taking Related Actions

2. DISCUSSION OF ISSUE:

The Authority issued three series of bonds in 1999, 2006 and 2011, respectively (the "Prior Bonds"). The proceeds of the Prior Bonds were used to provide loans (the "Prior Loans") to the former Turlock Redevelopment Agency (the "Former Agency") to finance redevelopment projects. Tax increment was pledged for the repayment of the Prior Loans pursuant to the related Loan Agreements between the Authority and the Former Agency.

The Former Agency was dissolved on February 1, 2012, pursuant to AB X1 26. The Successor Agency to the Turlock Redevelopment Agency was constituted to wind down the Former Agency's affairs. The Successor Agency is permitted to issue bonds to refund outstanding bond debt incurred by the Former Agency to achieve debt service savings.

By an action taken on June 14, 2016, the Successor Agency Board approved the issuance of bonds (the "2016 Bonds") to refund the Prior Loans (which will cause a concurrent refunding of the Prior Bonds). Subsequently, the Successor Agency has obtained the requisite approval from the Oversight Board and State Department of Finance for the issuance of the 2016 Bonds.

An Escrow Agreement (in substantial final form) has been presented to the Authority in connection with this refunding. The Escrow Agreement will provide for the establishment of defeasance escrow funds (the "Escrow Funds"). The redemption of the 1999 Prior Bonds and the 2006 Prior Bonds (and final payment to the related bondholders) will occur about 30 days after the issuance of the 2016 Bonds. The final payment for the 2011 Prior Bonds will occur on September 1, 2021, which is the first optional redemption date pursuant to the terms of the 2011 Prior Bonds. Pending such final payments, proceeds of the 2016 Bonds to be used for the payment of the respective Prior Bonds will be maintained by U.S. Bank National Association, as trustee and escrow agent, in the Escrow Funds pursuant to the Escrow Agreement.

3. BASIS FOR RECOMMENDATION:

Staff is recommending approval of the attached Resolution by the Authority Board, so Staff can proceed with the refunding transaction. The interest rate environment is favorable and Successor Agency Staff currently projects average annual savings of over $300,000

from this refunding. Upon the closing of the transaction, the Successor Agency will issue the 2016 Bonds, and the Authority's Prior Bonds will be defeased (*i.e.*, the Authority's obligations for the Prior Bonds will be extinguished except for the application of moneys from the Escrow Funds to the bondholders through the respective redemption dates).

4. FISCAL IMPACT / BUDGET AMENDMENT:

The projected savings realized by the Successor Agency will be in the form of lower debt service payments. While the actual savings will not be known until the process nears completion and the interest rates are known after pricing of the 2016 Bonds, Successor Agency Staff anticipates in excess of $300,000 in average annual savings from the refunding based on current market conditions. Upon the closing of the transaction, the Authority's obligations for the Prior Bonds will be extinguished except for the application of moneys from the escrow funds to the bondholders through the respective redemption dates.

5. EXECUTIVE DIRECTOR'S COMMENTS:

Recommend approval.

6. ENVIRONMENTAL DETERMINATION:

N/A

7. ALTERNATIVES:

None

BEFORE THE BOARD OF DIRECTORS OF THE TURLOCK PUBLIC FINANCING AUTHORITY

IN THE MATTER OF AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT IN CONNECTION WITH THE REFUNDING OF BONDS ISSUED BY THE AUTHORITY IN 1999, 2006 AND 2011 AND TAKING RELATED ACTIONS	**RESOLUTION NO. PFA-2016-_____**

WHEREAS, the former Turlock Redevelopment Agency (the "Former Agency") was a duly constituted redevelopment agency pursuant to provisions of the Community Redevelopment Law set forth in Section 33000 et seq. of the Health and Safety Code ("HSC") of the State of California (the "State"); and

WHEREAS, the Former Agency undertook a program to redevelop a project area known as the Turlock Redevelopment Project (the "Project Area"); and

WHEREAS, the Former Agency and the City of Turlock (the "City") executed and delivered a Joint Exercise of Powers Agreement, dated as of December 15, 1998 (the "Joint Powers Agreement"), which Joint Powers Agreement created and established the Turlock Public Financing Authority (the "Authority"); and

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 (commencing Section 6584) of the Government Code of the State and the Joint Powers Agreement, the Authority is authorized to issue bonds to assist with the financing costs of certain public capital improvements; and

WHEREAS, to finance redevelopment projects benefiting the Project Area, the Former Agency entered into the following three loan agreements:

(A) the Loan Agreement, dated as of March 1, 1999, by and among the Former Agency, the Authority and State Street Bank and Trust Company of California, N.A. (as succeeded by U.S. Bank National Association), as trustee, pursuant to which the Former Agency incurred a loan (the "1999 Loan") and made a pledge of property tax increment revenues to the repayment of the 1999 Loan; and

(B) the Loan Agreement, dated as of August 1, 2006, by and among the Former Agency, the Authority and U.S. Bank National Association, as trustee, pursuant to which the Former Agency incurred a loan (the "2006 Loan") and made a pledge of property tax increment revenues to the repayment of the 2006 Loan; and

(C) the Loan Agreement, dated as of February 1, 2011, by and among the Former Agency, the Authority and U.S. Bank National Association, as trustee, pursuant to which the Former Agency incurred a loan (the "2011 Loan") and made a pledge of property tax increment revenues to the repayment of the 2011 Loan; and

WHEREAS, to provide funding for the 1999 Loan, the 2006 Loan and the 2011 Loan (collectively, the "Agency Loans"), the Authority issued three series of bonds in 1999, 2006 and 2011 (collectively, the "Authority Bonds") pursuant to three Trust Agreements (collectively, the "Authority Trust Agreements"):

(A) the Authority's Revenue Bonds, Series 1999 (the "1999 Bonds"), in the original principal amount of $4,970,000, pursuant to the Trust Agreement, dated as of March 1, 1999 (the "1999 Trust Agreement"), by and between the Authority and State Street Bank and Trust Company of California, N.A. (as succeeded by U.S. Bank National Association), as trustee; and

(B) the Authority's Tax Allocation Revenue Bonds, Series 2006 (the "2006 Bonds"), in the original principal amount of $24,440,000, pursuant to the Trust Agreement, dated as of August 1, 2006 (the "2006 Trust Agreement"), by and between the Authority and U.S. Bank National Association, as trustee; and

(C) the Authority's Tax Allocation Revenue Bonds, Series 2011 (the "2011 Bonds"), in the original principal amount of $15,300,000, pursuant to the Trust Agreement, dated as of February 1, 2011 (the "2011 Trust Agreement"), by and between the Authority and U.S. Bank National Association, as trustee; and

WHEREAS, as of the date of this Resolution, a portion of each of the Agency Loans and a corresponding portion of the Authority Bonds remain outstanding; and

WHEREAS, pursuant to AB X1 26 (enacted in June 2011), and the State Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al., 53 Cal. 4th 231 (2011)*, the Former Agency was dissolved as of February 1, 2012, and the Successor Agency of the Turlock Redevelopment Agency (the "Successor Agency") was constituted; and

WHEREAS, the Successor Agency has determined to issue bonds ("Refunding Bonds") pursuant to HSC 34177.5 and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Bond Law") to prepay the Agency Loans and cause a corresponding refunding of the Authority Bonds; and

WHEREAS, in connection with the proposed refunding and defeasance of the Agency Loans and the Authority Bonds, there has been presented to the Authority, the form of an Escrow Agreement, by and among the Authority, the Successor Agency and U.S. Bank National Association, as trustee and escrow agent (the "Escrow Agreement");

NOW, THEREFORE, the Board of Directors of the Turlock Public Financing Authority hereby finds, determines, resolves, and orders as follows:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Escrow Agreement (the "Escrow Agreement") relating to the refunding and defeasance of the Agency Loans and the Authority Bonds, substantially in the form on file in the office of the Secretary of the Authority, is hereby approved. Each of the Chair, Vice Chair and the Executive Director (the "Authorized Officers," each an "Authorized Officer"), acting individually, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Escrow Agreement, in substantially such form, with changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

Section 3. The members of this Board, the Authorized Officers, and all other officers of the Authority, are hereby authorized, jointly and severally, to execute and deliver any and all necessary documents and instruments and to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution and assist the Successor Agency with the refunding described herein and any such actions previously taken by such officers are hereby ratified and confirmed.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Turlock Public Financing Authority this 11th day of October, 2016, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Kellie E. Weaver
Secretary
Turlock Public Financing Authority

ESCROW AGREEMENT

by and among

TURLOCK PUBLIC FINANCING AUTHORITY,

SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee and Escrow Agent

Dated as of October 1, 2016

Relating to Defeasance of:

Turlock Public Financing Authority

Revenue Bonds, Series 1999,
Tax Allocation Revenue Bonds, Series 2006, and
Tax Allocation Revenue Bonds, Series 2011

(and corresponding prepayment of loans under three Loan Agreements, by and among the Authority, the former Turlock Redevelopment Agency and U.S. Bank National Association, as trustee)

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Schedule A – Refunding Requirements

Schedule B – Escrow Securities (2011 Escrow Fund)

Appendix A – Form of Redemption and Defeasance Notice (1999 Bonds and 2006 Bonds)

Appendix B – Form of Defeasance Notice (2011 Bonds)

ESCROW AGREEMENT

This Escrow Agreement (this "Agreement"), dated as of October 1, 2016, is by and among the Turlock Public Financing Authority, a joint exercise of powers agency duly organized and existing pursuant to the laws of the State of California (the "Authority"), the Successor Agency to the Turlock Redevelopment Agency, a public entity existing under the laws of the State of California (the "City"), and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America, as trustee under the Authority Trust Agreements and Loan Agreements described below and escrow agent hereunder (the "Escrow Agent").

RECITALS:

A. The former Turlock Redevelopment Agency (the "Former Agency") was a duly constituted redevelopment agency pursuant to provisions of the Community Redevelopment Law set forth in Section 33000 et seq. of the Health and Safety Code ("HSC") of the State of California (the "State").

B. The Former Agency undertook a program to redevelop a project area known as the Turlock Redevelopment Project (the "Project Area").

C. The Former Agency and the City of Turlock (the "City") executed and delivered a Joint Exercise of Powers Agreement, dated as of December 15, 1998 (the "Joint Powers Agreement"), which Joint Powers Agreement created and established the Authority.

D. To finance redevelopment projects benefiting the Project Area, the Former Agency entered into the following three loan agreements (collectively, the "Loan Agreements"):

(i) the Loan Agreement, dated as of March 1, 1999 (the "1999 Loan Agreement"), by and among the Former Agency, the Authority and State Street Bank and Trust Company of California, N.A. (as succeeded by U.S. Bank National Association), as trustee, pursuant to which the Former Agency incurred a loan (the "1999 Loan") and made a pledge of property tax increment revenues to the repayment of the 1999 Loan; and

(ii) the Loan Agreement, dated as of August 1, 2006 (the "2006 Loan Agreement"), by and among the Former Agency, the Authority and U.S. Bank National Association, as trustee, pursuant to which the Former Agency incurred a loan (the "2006 Loan") and made a pledge of property tax increment revenues to the repayment of the 2006 Loan; and

(iii) the Loan Agreement, dated as of February 1, 2011 (the "2011 Loan Agreement"), by and among the Former Agency, the Authority and U.S. Bank National Association, as trustee, pursuant to which the Former Agency incurred a loan (the "2011 Loan") and made a pledge of property tax increment revenues to the repayment of the 2011 Loan.

E. To provide funding for the 1999 Loan, the 2006 Loan and the 2011 Loan (collectively, the "Agency Loans"), the Authority issued three series of bonds in 1999, 2006 and 2011 (collectively, the "Authority Bonds") pursuant the three Trust Agreements (collectively, the "Authority Trust Agreements"):

(i) the Authority's Revenue Bonds, Series 1999 (the "1999 Bonds"), in the original principal amount of $4,970,000, pursuant to the Trust Agreement, dated as of March 1, 1999 (the "1999 Trust Agreement"), by and between the Authority and State Street Bank and Trust Company of California, N.A. (as succeeded by U.S. Bank National Association), as trustee;

(ii) the Authority's Tax Allocation Revenue Bonds, Series 2006 (the "2006 Bonds"), in the original principal amount of $24,440,000, pursuant to the Trust Agreement, dated as of August 1, 2006 (the "2006 Trust Agreement"), by and between the Authority and U.S. Bank National Association, as trustee; and

(iii) the Authority's Tax Allocation Revenue Bonds, Series 2011 (the "2011 Bonds"), in the original principal amount of $15,300,000, pursuant to the Trust Agreement, dated as of February 1, 2011 (the "2011 Trust Agreement"), by and between the Authority and U.S. Bank National Association, as trustee.

F. Pursuant to the Authority Trust Agreements, the Authority Bonds are secured by "Revenues," consisting of amounts repaid by the Former Agency (as succeeded by the Successor Agency") for the Agency Loans.

G. Pursuant to AB X1 26 (enacted in June 2011), and the State Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Former Agency was dissolved as of February 1, 2012, the Successor Agency was constituted.

H. The Successor Agency has determined to issue its Tax Allocation Refunding Bonds, Series 2016, in the aggregate principal amount of $_____ (the "2016 Bonds"), pursuant to an Indenture, dated as of October 1, 2016 (the "2016 Indenture"), by and between the Successor Agency and U.S. Bank National Association, as trustee.

I. The 2016 Bonds are being issued to effect a refunding of all of the outstanding Authority Bonds and the concurrent discharge of the Agency Loans.

J. Pursuant to the 2016 Indenture and this Agreement, the Successor Agency will also cause to be transferred to the Escrow Agent, a portion of the sale proceeds of 2016 Bonds, together with other moneys, for the deposit into the escrow funds (the "Escrow Funds") to be established under this Agreement, to effect the defeasance of the outstanding 1999 Bonds, the 2006 Bonds and the 2011 Bonds (and the concurrent discharge of the 1999 Loan, the 2006 Loan and the 2011 Loan).

K. Pursuant, and subject, to the terms of the Authority Trust Agreements, if there has been deposited with the Escrow Agent, to be held in escrow, cash or qualified securities (or a combination thereof) which shall provide sufficient moneys to pay and redeem any portion of the outstanding Authority Bonds through maturity or a designated redemption date, then the Authority's obligations with respect to such Authority Bonds shall be discharged and the lien with respect to such Authority Bonds under the Authority Trust Agreements shall cease (except for the payment thereof from the moneys held in escrow by the Escrow Agent) and such Authority Bonds shall be defeased.

L. The Authority and the Successor Agency are entering into this Agreement in order to provide for the proper and timely application of the proceeds from the 2016 Bonds and other moneys toward the defeasance and the payment and redemption of the 1999 Bonds, the 2006 Bonds and the 2011 Bonds.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

Section 1. Definitions. Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa. Unless the context clearly requires otherwise, capitalized terms used in this Agreement shall have the meanings ascribed to them in the introductory paragraph and the Recitals hereof. In addition, as used herein, the following terms shall have the following meanings:

"1999 Bond Redemption Date" means _____, 2016.

"1999 Escrow Fund" means the fund by that name established by the Escrow Agent pursuant to Section 4.

"1999 Refunding Requirement" means an amount sufficient to pay the principal, interest and the redemption premium (if any) with respect to the Refunded 1999 Bonds on the 1999 Bond Redemption Date as set forth in Schedule A.

"2006 Bond Redemption Date" means _____, 2016.

"2006 Escrow Fund" means the fund by that name established by the Escrow Agent pursuant to Section 4.

"2006 Refunding Requirement" means an amount sufficient to pay the principal, interest and the redemption premium (if any) with respect to the Refunded 1999 Bonds on the 1999 Bond Redemption Date as set forth in Schedule A.

"2011 Bond Redemption Date" means March 1, 2021.

"2011 Escrow Fund" means the fund by that name established by the Escrow Agent pursuant to Section 4.

"2011 Refunding Requirement" means an amount sufficient to pay the principal, interest and the redemption premium (if any) with respect to the Refunded 2011 Bonds on the 2011 Bond Redemption Date as set forth in Schedule A.

"Bond Counsel" means Richards, Watson & Gershon, A Professional Corporation, or such other attorney or firm of attorneys of nationally recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code selected by the Authority and the Successor Agency.

"Closing Date" means _____ __, 2016, the date on which the 2016 Bonds are being issued.

"Code" means the Internal Revenue Code of 1986, as amended.

"Escrow Funds" means, collectively, the 1999 Escrow Fund, the 2006 Escrow Fund and the 2011 Escrow Fund.

"Escrow Securities" means the Investment Securities described in Schedule B to be deposited in the 2011 Escrow Fund.

"Investment Securities" means noncallable direct obligations of the United States of America, or bonds or other obligations which are noncallable and the payment of principal and interest of which are unconditionally and fully guaranteed by the United States of America, to mature or be withdrawable, as the case may be, not later than the time when needed for the payment and redemption of the Refunded Authority Bonds in order to discharge the pledge and lien securing the Refunded Authority Bonds.

"Redemption Dates" means, together, the 1999 Bond Redemption Date, the 2006 Redemption Date and the 2011 Bond Redemption Date.

"Refunded 1999 Bonds" means the 1999 Bonds to be defeased, paid and redeemed, pursuant to this Agreement, as further described in Schedule A.

"Refunded 2006 Bonds" means the 2006 Bonds to be defeased, paid and redeemed, pursuant to this Agreement, as further described in Schedule A.

"Refunded 2011 Bonds" means the 2011 Bonds to be defeased, paid and redeemed, pursuant to this Agreement, as further described in Schedule A.

"Refunded Authority Bonds" means, collectively, the Refunded 1999 Bonds, the Refunded 2006 Bonds and the Refunded 2011 Bonds.

"Refunding Requirements" means, collectively, the 1999 Refunding Requirement, the 2006 Refunding Requirement and the 2011 Refunding Requirement.

Section 2. Escrow Agent's Acceptance of Duties. The Escrow Agent hereby accepts the duties and obligations expressly provided in this Agreement and agrees that the irrevocable instructions to the Escrow Agent contained herein are in a form satisfactory to it.

Section 3. Incorporation of Authority Trust Agreements. The applicable and necessary provisions of the Authority Trust Agreements, including redemption provisions and defeasance provisions set forth in Articles IV and XII of each of the 1999 Trust Agreement, the 2006 Trust Agreement and the 2011 Trust Agreement, are incorporated herein by reference.

Section 4. Escrow Funds Deposits.

(a) There is hereby created and established with the Escrow Agent, a special and irrevocable trust fund designated the "1999 Escrow Fund," to be held by the Escrow Agent separate and apart from all other funds of the Authority, the Successor Agency or the Escrow Agent and used only for the purposes and in the manner provided in this Agreement. The 1999

Escrow Fund constitutes a special and irrevocable trust fund for purposes of effecting the concurrent defeasance of the Refunded 1999 Bonds and the discharge of the 1999 Loan. On the Closing Date, there shall be transferred and deposited into the 1999 Escrow Fund the following amounts (the sum of which shall be $_____):

(i) The Authority shall cause to be transferred to the Escrow Agent a portion of the proceeds of the 2016 Bonds for deposit in the 1999 Escrow Fund, in the amount of $_____;

(ii) The Escrow Agent shall also release and transfer $_____ from the Reserve Fund established under the 1999 Trust Agreement to the 1999 Escrow Fund.

(b) There is hereby created and established with the Escrow Agent, a special and irrevocable trust fund designated the "2006 Escrow Fund," to be held by the Escrow Agent separate and apart from all other funds of the Authority, the Successor Agency or the Escrow Agent and used only for the purposes and in the manner provided in this Agreement. The 2006 Escrow Fund constitutes a special and irrevocable trust fund for purposes of effecting the concurrent defeasance of the Refunded 2006 Bonds and the discharge of the 2006 Loan. On the Closing Date, there shall be transferred and deposited into the 2006 Escrow Fund the following amounts (the sum of which shall be $_____):

(i) The Authority shall cause to be transferred to the Escrow Agent a portion of the proceeds of the 2016 Bonds for deposit in the 2006 Escrow Fund, in the amount of $_____;

The Escrow Agent shall also release and transfer $_____ from the Reserve Fund established under the 2006 Trust Agreement to the 2006 Escrow Fund

(c) There is hereby created and established with the Escrow Agent, a special and irrevocable trust fund designated the "2011 Escrow Fund," to be held by the Escrow Agent separate and apart from all other funds of the Authority, the Successor Agency or the Escrow Agent and used only for the purposes and in the manner provided in this Agreement. The 2011 Escrow Fund constitutes a special and irrevocable trust fund for purposes of effecting the concurrent defeasance of the Refunded 2011 Bonds and the discharge of the 2011 Loan. On the Closing Date, there shall be transferred and deposited into the 2011 Escrow Fund the following amounts (the sum of which shall be $_____):

(i) The Authority shall cause to be transferred to the Escrow Agent a portion of the proceeds of the 2016 Bonds for deposit in the 2011 Escrow Fund, in the amount of $_____;

(ii) The Escrow Agent shall also release and transfer $_____ from the Reserve Fund established under the 2011 Trust Agreement to the 2011 Escrow Fund.

Section 5. Maintenance of Escrow Funds.

(a) Pending the disbursement thereof pursuant to Section 6 on the 1999 Bond Redemption Date, moneys in the 1999 Escrow Fund will be [held uninvested].

(b) Pending the disbursement thereof pursuant to Section 6 on the 2006 Bond Redemption Date, moneys in the 1999 Escrow Fund will be [held uninvested]

(c) The Escrow Agent, upon receipt of the moneys for the 2011 Escrow Fund described in Section 4(b), shall immediately: (i) invest $_____ of such moneys in the Escrow Securities set forth in Schedule B, (ii) deposit such securities in the 2011 Escrow Fund, and (iii) hold the remaining $____ as cash in the 2011 Escrow Fund. All proceeds received upon the maturity of the Escrow Securities, including interest earnings thereon, shall be retained in the Escrow Fund. The Escrow Agent is hereby authorized and empowered to deposit uninvested monies held hereunder from time to time in a demand deposit account, without payment of interest thereon as provided hereunder, established at commercial banks that are corporate affiliates of the Escrow Agent.

(d) Notwithstanding the foregoing or any other provision of this Agreement to the contrary, at the written request of the Successor Agency and upon compliance with the conditions hereinafter set forth, the Escrow Agent shall have the power to sell, transfer, request the redemption of or otherwise dispose of some or all of the Escrow Securities in the 2011 Escrow Fund and to substitute Investment Securities. The foregoing may be effected only if: (i) the substitution of Investment Securities for the substituted Escrow Securities occurs simultaneously; (ii) the amounts of and dates on which the anticipated moneys from such Escrow Fund to be available for the payment or redemption of the Refunded 2011 Bonds on each disbursement date identified in Schedule A will not be diminished or postponed thereby, as shown in the certification (described below) of an independent certified public accountant; (iii) the Escrow Agent shall receive the unqualified opinion of counsel to the effect that the Successor Agency has the right and power to effect such disposition and substitution; and (iv) the Escrow Agent shall receive from an independent certified public accountant a certification that, immediately after such transaction, the principal of and interest on the Investment Securities in the Escrow Fund will, together with other moneys available for such purpose, be sufficient to pay the 2011 Refunding Requirement. Any cash received from the disposition and substitution of Escrow Securities pursuant to this Section to the extent that, as shown in such certification, such cash will not be required, in accordance with the 2016 Indenture and this Agreement, at any time for the payment when due as provided in Section 6, shall be transferred to the Successor Agency.

Section 6. Payment of Refunding Requirements.

(a) The 1999 Bond Redemption Date shall be _____, 2016. On the 1999 Redemption Date, the Escrow Agent shall disburse the amount indicated on Schedule A for application toward the payment and redemption of the Refunded 1999 Bonds for the equal and ratable benefit of the owners of the Refunded 1999 Bonds.

(b) The 2006 Bond Redemption Date shall be _____, 2016. On the 2006 Redemption Date, the Escrow Agent shall disburse the amount indicated on Schedule A for application toward the payment and redemption of the Refunded 2006 Bonds for the equal and ratable benefit of the owners of the Refunded 2006 Bonds.

(c) The 2011 Bond Redemption Date shall be March 1, 2021. On each March 1 and September 1 through (and including) the 2011 Bond Redemption Date, the Escrow Agent

shall disburse moneys from the 2011 Escrow Fund to pay interest and principal due to the registered owners of the Refunded 2011 Bonds in the amounts set forth Schedule A. Amounts disbursed from the 2011 Escrow Fund shall be applied towards the payment and redemption of the Refunded 2011 Bonds for the equal and ratable benefit of the owners of the Refunded 2011 Bonds.

Section 7. Verification. The Successor Agency has caused schedules to be prepared relating to the sufficiency of the funds deposited in the Escrow Funds to pay the Refunding Requirements. The Successor Agency shall furnish the Escrow Agent with the report of Causey Demgen & Moore P.C, verifying the mathematical accuracy of the computations contained in such schedules.

Section 8. Compliance with Authority Trust Agreements and this Agreement. The Escrow Agent hereby agrees that the Escrow Agent will take all the actions required to be taken by it hereunder, including the timely transfer of moneys for the payment of principal, interest and redemption premium (if any) with respect to the Refunded Authority Bonds, in order to effectuate this Agreement. The liability of the Escrow Agent for the payment of the Refunding Requirements, pursuant to this Section and under the Authority Trust Agreements, shall be limited to the application, in accordance with this Agreement, of moneys in the Escrow Funds (including the Escrow Securities and interest earnings thereon, if any) available for the purposes of and in accordance with this Agreement.

Section 9. Tax Covenant. Notwithstanding any other provision of this Agreement, the Authority and the Successor Agency hereby covenant that no part of the proceeds of 2016 Bonds or of the moneys or funds held by the Escrow Agent hereunder shall be used, and that the Authority and the Successor Agency shall not direct the Escrow Agent to use any of such moneys or funds at any time, directly or indirectly, in a manner that would cause any of the 2016 Bonds to be an "arbitrage bond" under Section 148 of the Code and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of execution and delivery of the 2016 Bonds. None of the Authority, the Successor Agency nor the Escrow Agent shall transfer or otherwise dispose of moneys and securities held in the Escrow Fund except as set forth in this Agreement; provided that the Escrow Agent may effectuate the transfer of such moneys to a successor Escrow Agent in accordance with the provisions of Section 16 relating to the transfer of rights and property to successor Escrow Agents.

Section 10. Defeasance and Redemption Notices.

(a) As soon as practicable upon the Escrow Agent's receipt of moneys for deposit in the 1999 Escrow Fund and the 2006 Escrow Fund pursuant to Section 4(a) and Section 4(b) (but in no event later than _____, 2016), the Escrow Agent shall send notices of redemption and defeasance to the registered owners of the Refunded 1999 Bonds and the Refunded 2006 Bonds, substantially in the form set forth in Appendix A.

(b) As soon as practicable upon the Escrow Agent's receipt of moneys for deposit in the 2011 Escrow Fund pursuant to Section 4(c), the Escrow Agent shall send notices of defeasance to the registered owners of the Refunded 2011 Bonds, substantially in the form set forth in Appendix B. No later than the 30 days before the 2011 Bond Redemption Date (but no

earlier than 60 days before the 2011 Bond Redemption Date), the Escrow Agent shall also send notices of redemption in accordance with Section 4.3 of the 2011 Trust Agreement.

Section 11. Defeasance of Refunded Authority Bonds. Concurrently with the deposit of the moneys in the Escrow Funds pursuant to Section 4 of this Agreement, the Refunded Authority Bonds shall no longer be deemed to be "Outstanding" and unpaid within the meaning and with the effect expressed in the Authority Trust Agreements.

Section 12. Discharge of 1999 Loan, 2006 Loan and 2011 Loan.

(a) Concurrently with the deposit of the moneys in the 1999 Escrow Fund pursuant to Section 4(a) of this Agreement, the 1999 Loan shall be deemed discharged under Section 6.3 of the 1999 Loan Agreement.

(b) Concurrently with the deposit of the moneys in the 1999 Escrow Fund pursuant to Section 4(b) of this Agreement, the 2006 Loan shall be deemed discharged under Section 6.3 of the 2006 Loan Agreement.

(c) Concurrently with the deposit of the moneys in the 2011 Escrow Fund pursuant to Section 4(c) of this Agreement, the 2011 Loan shall be discharged under Section 6.3 of the 2011 Loan Agreement.

Section 13. Nature of Lien. The trusts hereby created shall be irrevocable. The owners of the Refunded 1999 Bonds shall have an express lien on all of the moneys (including securities, if any) in the 1999 Escrow Fund, including the earnings thereon (if any), until paid out, used and applied in accordance with this Agreement. The owners of the Refunded 2006 Bonds shall have an express lien on all of the moneys (including securities, if any) in the 2006 Escrow Fund, including the earnings thereon (if any), until paid out, used and applied in accordance with this Agreement. The owners of the Refunded 2011 Bonds shall have an express lien on all of the moneys (including any securities) in the 2011 Escrow Fund, including the earnings thereon, until paid out, used and applied in accordance with this Agreement.

Section 14. Amendments. This Agreement shall not be repealed, revoked, altered, amended without the written consent of all of the registered owners of the unpaid Refunded Authority Bonds and the written consent of the Escrow Agent, the Successor Agency and the Authority; provided, however, that the Authority, the Successor Agency and the Escrow Agent may, without the consent of or notice to, such registered owners, enter into such amendment to this Agreement, if such amendment shall not materially adversely affect the rights of such registered owners and shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Agreement;

(b) To grant to, or confer upon, the Escrow Agent for the benefit of the owners of the Refunded Authority Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Agent;

(c) To transfer to the Escrow Agent and make subject to this Agreement, additional funds securities or properties;

(d) To conform the Agreement to the provisions of any law or regulations governing the tax-exempt status of the Refunded Authority Bonds and the 2016 Bonds in order to maintain their tax-exempt status; and

(e) To make any other change determined by the Authority to be not materially adverse to the owners of the Refunded Authority Bonds.

The Escrow Agent shall be entitled to rely exclusively upon an opinion of Bond Counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification or addition affects the rights of the owners of the Refunded Authority Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

Section 15. Compensation of Escrow Agent. In consideration of the services rendered by the Escrow Agent under this Agreement, the Successor Agency agrees to and shall pay to the Escrow Agent its proper fees and expenses in accordance with the agreement therefor reached by the Escrow Agent and the Successor Agency, including all reasonable expenses, charges, counsel fees and other disbursements incurred by it or by its attorneys, agents and employees in and about the performance of their powers and duties hereunder, from any moneys of the Successor Agency and the Authority lawfully available therefor and the Escrow Agent shall have no lien whatsoever upon any of the moneys in the Escrow Funds (including any securities therein) for the payment of such proper fees and expenses.

Section 16. Resignation or Removal of Escrow Agent; Appointment of Successor. The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trusts hereby created by giving written notice to the Authority and the Successor Agency specifying the date when such resignation will take effect, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the owners of the Refunded Authority Bonds or by the Authority as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Authority and the Successor Agency and signed by the registered owners of a majority in principal amount of the Refunded Authority Bonds. The Escrow Agent may also be removed at any time by the Authority and the Successor Agency with not less than 30 days' written notice to the Escrow Agent and the registered owners of the Refunded Authority Bonds.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or a receiver appointed by a court, a successor Escrow Agent may be appointed by the owners of a majority in principal amount of the Refunded Authority Bonds, by an instrument or concurrent instruments in writing, signed by such owners, or by their attorneys in fact duly

authorized in writing; provided, nevertheless, that in any such event, the Authority shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the owners of a majority in principal amount of the Refunded Authority Bonds, and any such temporary Escrow Agent so appointed by the Authority and the Successor Agency shall immediately, and without further act, be superseded by the Escrow Agent so appointed by such owners.

In the event that no appointment of a successor Escrow Agent, or a temporary successor Escrow Agent, shall have been made by such owners or the Authority, pursuant to the foregoing provisions of this Section, within 30 days after written notice of the removal or resignation of the Escrow Agent has been given to the Authority and the Successor Agency, the owner of any of the Refunded Authority Bonds, or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a national banking association or a corporation with trust powers organized under the banking laws of the United States or any state, and shall have at the time of appointment capital and surplus of not less than $75,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Authority and the Successor Agency, an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent, the Authority or the Successor Agency, execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all moneys held by it to its successor. Should any transfer, assignment or instrument in writing from the Authority or the Successor Agency be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instrument in writing shall, on request, be executed, acknowledged and delivered by the Authority or the Successor Agency.

Any entity into which the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any entity resulting from any merger, conversion, consolidation or tax-free reorganization to which the Escrow Agent or any successor to it shall be a party, shall, if it meets the qualifications set forth in the fifth paragraph of this Section, and if it is otherwise satisfactory to the Authority and the Successor Agency, be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 17. Limitation of Powers and Duties. The Escrow Agent shall have no power or duty to invest any funds held under this Agreement except as provided in Section 5. The Escrow

Agent shall have no power or duty to transfer or otherwise dispose of the moneys held hereunder except as provided in this Agreement.

Section 18. Indemnification. To the extent permitted by law, the Authority and the Successor Agency hereby assume liability for, and hereby agree (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its agents, employees and servants, from and against, any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time (whether or not also indemnified against the same by the Authority or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Funds, the acceptance of the moneys and any securities deposited therein, transfer or other application of moneys by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the Authority and the Successor Agency shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's agents, employees or servants. In no event shall the Successor Agency, the Authority or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement and removal or resignation of the Escrow Agent.

Section 19. Limitation of Liability. The Escrow Agent and its agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Funds, the acceptance of the moneys or securities deposited therein, the sufficiency of the moneys or any securities held hereunder to accomplish the payment and redemption of the Refunded Authority Bonds, or any payment, transfer or other application of moneys or any securities by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties. The Escrow Agent shall incur no liability for losses arising from any investment made in accordance with this Agreement. The recitals of fact contained in the Recitals of this Agreement, shall be taken as the statements of the Authority and the Successor Agency, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of any securities purchased pursuant hereto, and any moneys to accomplish the payment and redemption of the Refunded Authority Bonds, pursuant to the Authority Trust Agreements or to the validity of this Agreement as to the Authority or the Successor Agency and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement, except for its own negligence or willful misconduct, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. Anything in this Agreement notwithstanding, the Escrow Agent shall not be liable for any consequential (i.e., special or indirect) losses or damages in performing its duties or in exercising its rights or power pursuant to this Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the Successor Agency or the Authority. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or

established prior to taking, suffering, or omitting any action under this Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of nationally recognized bond counsel) may be deemed to be conclusively established by a written certification of the Authority or the Successor Agency. Whenever the Escrow Agent deems it necessary or desirable, that a matter specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of nationally recognized bond counsel be proved or established prior to taking, suffering, or omitting any such action, such matter may be established only by such a certificate or such an opinion. No provision of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties in accordance with this Agreement, or in the exercise of its rights or powers.

Section 20. Closing of Escrow Funds; Termination of Agreement.

(a) Upon completion of disbursements from the 1999 Escrow Fund to redeem and pay the Refunded 1999 Bonds on the 1999 Bond Redemption Date pursuant to Section 6(a) of this Agreement, all moneys (if any) remaining in the 1999 Escrow Fund shall be transferred to the Debt Service Fund established under the 2016 Indenture. Thereafter, the 1999 Escrow Fund shall close.

(b) Upon completion of disbursements from the 2006 Escrow Fund to redeem and pay the Refunded 2006 Bonds on the 2006 Bond Redemption Date pursuant to Section 6(b) of this Agreement, all moneys (if any) remaining in the 2006 Escrow Fund shall be transferred to the Debt Service Fund established under the 2016 Indenture. Thereafter, the 2006 Escrow Fund shall close.

(c) Upon completion of disbursements from the 2011 Escrow Fund to redeem and pay the Refunded 2011 Bonds on the 2011 Bond Redemption Date pursuant to Section 6(c) of this Agreement, all moneys (if any) remaining in the 2011 Escrow Fund shall be transferred to the Debt Service Fund established under the 2016 Indenture. Thereafter, the 2011 Escrow Fund shall close.

(d) This Agreement shall terminate upon the closing of the 2011 Escrow Fund.

Section 21. Governing Law. This Agreement shall be governed by the law of the State of California.

Section 22. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Authority, the Successor Agency, or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed, and construed to be severable from, the remaining covenants and agreements contained herein and shall in no way affect the validity of the remaining provisions of this Agreement.

All the covenants, promises and agreements contained in this Agreement by, or on behalf of, the Authority, the Successor Agency or the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 23. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers as of the date first written above.

TURLOCK PUBLIC FINANCING AUTHORITY

By:_____
Executive Director

SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY

By:_____
Executive Director

U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent

By:_____
Authorized Officer

SCHEDULE A

REFUNDING REQUIREMENTS

I. Refunded 1999 Bonds:

1999 Bond Redemption Date	Principal	Interest	Redemption Premium	Disbursement
_____, 2016	$ 2,145,000*	$_____	--	$_____

* Consists of the following Refunded 1999 Bonds to be paid or redeemed on the 1999 Redemption Date:

Maturity Date (September 1)	Principal	Interest Rate	Redemption Price
2024	$2,145,000	5.45%,	100%

II. Refunded 2006 Bonds:

2006 Bond Redemption Date	Principal	Interest	Redemption Premium	Disbursement
_____, 2016	$21,415,000 *	$_____	--	$_____

* Consists of the following Refunded 2006 Bonds to be paid or redeemed on the 2006 Redemption Date:

Maturity Date (September 1)	Principal	Interest Rate	Redemption Price
2017	$510,000	4.000%	100%
2018	530,000	4.000	100
2019	550,000	4.200	100
2020	575,000	4.250	100
2021	595,000	4.300	100
2022	625,000	4.375	100
2023	650,000	4.400	100
2024	680,000	4.500	100
2030	7,135,000	5.000	100
2036	9,565,000	5.000	100

III. Refunded 2011 Bonds:

Payment or Redemption Date	Principal	Interest	Redemption Premium	Disbursement
March 1, 2017		$515,634.38	--	$ 515,634.38
September 1, 2017	$ 295,000	515,634.38	--	810,634.38
March 1, 2018		507,706.25	--	507,706.25
September 1, 2018	310,000	507,706.25	--	817,706.25
March 1, 2019		498,793.75	--	498,793.75
September 1, 2019	325,000	498,793.75	--	823,793.75
March 1, 2020		498,043.75	--	498,793.75
September 1, 2020	345,000	489,043.75	--	834,043.75
March 1, 2021	12,925,000*	478,262.50	--	13,403,262.50

* Consists of the following Refunded 2011 Bonds to be paid or redeemed on the 2011 Redemption Date:

Maturity Date (September 1)	Principal	Interest Rate	Redemption Price
2021	$ 370,000	6.50%,	100%
2025	1,270,000	7.00	100
2029	1,120,000	7.25	100
2039	10,165,000	7.50	100

SCHEDULE B

ESCROW SECURITIES

(2011 Escrow Fund)

Securities Type	Maturity	Principal Amount	Coupon	Expected Receipt at Maturity (including principal and interest)

APPENDIX A

Form of

NOTICE OF REDEMPTION AND DEFEASANCE

with reference to

Turlock Public Financing Authority

Revenue Bonds, Series 1999 *(CUSIP No.* 900206BA0)*
(the "1999 Bonds")
and
Tax Allocation Revenue Bonds, Series 2006
(CUSIP Nos. 90020LAK6, 90020LAM2, 90020LAN0, 90020LAP5, 90020LAQ3, 90020LAR1, 90020LAS9, 90020LAT7, 90020LAV2, 90020LAW0*
(the "2006 Bonds")

This Notice is being given on behalf of the Turlock Public Financing Authority (the "**Authority**"), to the owners of the above-captioned 1999 Bonds and 2006 Bonds (together, the "**Bonds**"), issued pursuant to, respectively, the Trust Agreement, dated as of March 1, 1999 (the "**1999 Trust Agreement**"), by and between the Authority and U.S. Bank National Association, as successor trustee (the "**Trustee**"), and the Trust Agreement, dated as of August 1, 2006 (the "**2006 Trust Agreement**"), by and between the Authority and the Trustee. The 1999 Trust Agreement and the 2006 Trust Agreement, together, are referred to herein in as the "**Trust Agreements**."

Pursuant to Article XII of each Trust Agreement, the lien under the Trust Agreements with respect to the Bonds has been discharged through the irrevocable deposit of moneys in escrow funds (the "**Escrow Funds**") pursuant to an Escrow Agreement, dated as of October 1, 2016 (the "**Escrow Agreement**"), by and among the Authority, the Successor Agency to the Turlock Redevelopment Agency and the Trustee. The deposit into the Escrow Funds has been calculated to provide sufficient moneys to pay and redeem all of the outstanding principal and unpaid accrued interest due on the Bonds through the Redemption Date (defined below).

All outstanding 1999 Bonds and all outstanding 2006 Bonds maturing on or after September 1, 2017 will be redeemed on _____, 2016 (the "**Redemption Date**"). On the Redemption Date, the Trustee will disburse moneys from the Escrow Funds to pay to the registered owners of the Bonds a redemption price equal to 100 percent of the principal amount of the Bonds, plus unpaid accrued interest thereon, without premium, in accordance with the Trust Agreements. Interest on the Bonds shall cease to accrue from and after the Redemption Date.

As a result of the deposit into the Escrow Funds, the Bonds are deemed to have been paid and defeased in accordance with the Trust Agreements. Obligations of the Authority to the owners

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* *Neither the Authority nor the Escrow Agent shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness. It is included solely for convenience of the owners of the Bonds*

of the defeased Bonds are hereafter limited to the application of moneys in the Escrow Funds for the principal and interest payment on the Bonds as the same become due and payable on the Redemption Date described above.

Owners of the Bonds should surrender the Bonds on the Redemption Date at the following address:

U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Avenue E.
St. Paul, MN 55107

For Bonds surrendered by mail, the use of registered or certified mail is suggested.

IMPORTANT NOTICE: Federal law requires the Trustee, as the paying agent, to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

Dated: _____, 2016

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

APPENDIX B
Form of

NOTICE OF DEFEASANCE

with reference to

Turlock Public Financing Authority
Tax Allocation Revenue Bonds, Series 2011

(CUSIP Nos[†]. 90020LBA7, 90020LBB5, 90020LBC3, 90020LBD1, 90020LBE9, 90020LBF6, 90020LBG4, 90020LBH2, 90020LBJ8)

This Notice is being given on behalf of the Turlock Public Financing Authority (the "Authority"), to the owners of the above-captioned bonds (the "2011 Bonds"), issued pursuant to the Trust Agreement, dated as of February 1, 2011 (the "2011 Trust Agreement"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee").

Pursuant to Section 12.02 of the 2011 Trust Agreement, the lien under the 2011 Trust Agreement with respect to the 2011 Bonds has been discharged through the irrevocable deposit of cash and certain securities (consisting of non-callable United States Treasury Obligations) in an escrow fund (the "Escrow Fund") held pursuant to an Escrow Agreement, dated as of October 1, 2016 (the "Escrow Agreement"), by and among the Authority, the Successor Agency to the Turlock Redevelopment Agency and the Trustee.

The deposit into the Escrow Fund has been calculated to provide sufficient moneys to pay all of the outstanding principal and unpaid accrued interest due on the 2011 Bonds through March 1, 2021 (the "Redemption Date"). On the Redemption Date, all of the unpaid principal of the 2011 Bonds (*i.e.*, the 2011 Bonds maturing on or after September 1, 2011) will be redeemed at a redemption price equal to 100 percent thereof, without premium, in accordance with the 2011 Trust Agreement.

As a result of the deposit into the Escrow Fund, the 2011 Bonds are deemed to have been paid and defeased in accordance with the 2011 Trust Agreement. Obligations of the Authority to the owners of the defeased 2011 Bonds are hereafter limited to the application of moneys in the Escrow Fund for the principal and interest payment on the 2011 Bonds as the same become due and payable as described above.

Dated: _____, 2016

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

[†] *Neither the Authority nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness. It is included solely for convenience of the owners of the 2011 Bonds*

SEE RELATED AGENDA ITEM FOR THE

SUCCESSOR AGENCY TO THE TURLOCK REDEVELOPMENT AGENCY

FOR COPIES OF ALL BOND ISSUANCE DOCUMENTS