

CITY OF HERCULES
DRAFT PROMISSORY NOTE

(City of Hercules General Fund to Hercules
Landscaping and Lighting Assessment District No. 2002-1 Victoria by the Bay)

Up to \$449,090

July XX, 2024

FOR VALUED RECEIVED, the undersigned, the Hercules Landscape and Lighting Assessment District No. 2002-1 Victoria by the Bay (the "Borrower") hereby promises to pay to the order of the City of Hercules General Fund (the "Holder"), the principal amount not to exceed Four Hundred Forty-Nine Thousand Ninety Dollars (\$449,090), as set forth herein, plus interest thereon pursuant to Section 2 below.

1. Borrower's Obligation. This promissory note (the "Note") evidences the Borrower's obligation to pay the Holder the total principal amount of up to Four Hundred Forty-Nine Thousand Ninety Dollars (\$449,090). The Borrower shall use the proceeds of the loan provided by the Holder to eliminate the deficit fund balance. Future available funds from the Landscaping and Lighting Districts No. 2002-1 Victoria by the Bay are pledged as security for the repayment of this loan.
2. Interest. The principal balance of this Note shall bear zero interest.
3. Term and Repayment Requirements. The Term of this Note (the "Term") shall commence on July XX, 2024, and shall expire on July XX, 2034, or ten-year Term. Commencing on July XX, 2024, and on each July 1 thereafter throughout the Term, the Borrower shall make an annual payment to the Holder in the amount of up to Forty-Four Thousand and Nine Hundred Nine Dollars (\$44,909). Upon the expiration of the Term, all remaining amounts, if any, due under this Note shall be immediately due and payable. Notwithstanding the foregoing, the Borrower shall have the right to prepay all or a portion of the principal and interest due under this Note without any charge or penalty being made therefor.
4. Terms of Payment. All payments due under this Note shall be paid in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.
5. Miscellaneous Provisions. This Note may not be changed orally, but only by an arrangement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought with an approval action by the City Manager or Finance Director.

- a) This Note shall be governed by and construed in accordance with the laws of the State of California.
- b) If any provision of this note is deemed unenforceable, the validity, legality and enforcement of the remaining provisions in this is not in any way affected or impaired hereby.

IN WITNESS WHEREOF, the undersigned has executed this Promissory Note as of the

Signed by:

Dante Hall, City Manager
City of Hercules

APPROVED AS TO FORM:

Patrick Tang, City Attorney
City of Hercules