

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of December 1, 2019 (the "Agreement"), by and between the City of Hercules (the "City") and The Bank of New York Mellon Trust Company, N.A. (the "Escrow Agent"), is entered into in accordance with Resolution No. 2019-__ of the City adopted on November 12, 2019 and a Fiscal Agent Agreement, dated as of December 1, 2019 (the "2019 Fiscal Agent Agreement"), between the City and The Bank of New York Mellon Trust Company, N.A., to refund the outstanding City of Hercules Assessment District No. 2005-1 (John Muir Parkway) Limited Obligation Improvement Bonds (the "Refunded Bonds").

WITNESSETH:

WHEREAS, the City has heretofore duly issued the Refunded Bonds pursuant to a fiscal agent agreement dated as of July 1, 2005 (the "Prior Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A. (formerly The Bank of New York Trust Company, N.A.), as trustee (the "Prior Trustee"); and

WHEREAS, the City Council of the City has taken proceedings under the Refunding Act of 1984 for 1915 Improvement Act Bonds pursuant to Division 11.5 of the California Streets and Highways Code (the "1984 Act"), for the formation of City of Hercules Reassessment District No. 2005-1 (John Muir Parkway) (the "Reassessment District"); and

WHEREAS, the City has determined to issue its \$_____ City of Hercules Reassessment District No. 2005-1 (John Muir Parkway) Limited Obligation Improvement Bonds, Series 2019 (the "Bonds") pursuant to the 1984 Act to refund the Refunded Bonds, which shall be issued to represent the unpaid reassessments, and in order to provide moneys which together with certain other moneys held by the Prior Trustee, will be used to pay the interest due on those Refunded Bonds on March 2, 2020, and to redeem on March 2, 2020 (the "Redemption Date"), the Refunded Bonds maturing on and after September 2, 2020 at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the Redemption Date, without premium (for each, the "Redemption Price"); and;

WHEREAS, the City will cause to be delivered to the Escrow Agent a portion of the proceeds of the Bonds in such amount as Causey Demgen & Moore P.C. (the "Verification Agent") has determined will, together with other moneys then on deposit in certain funds existing under the Prior Fiscal Agent Agreement available therefor, to be fully sufficient to pay and discharge the Refunded Bonds, including the Redemption Price of the Refunded Bonds maturing after the Redemption Date.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the City and the Escrow Agent agree as follows:

Section 1. Establishment, Funding and Maintenance of Escrow Fund. The City hereby instructs the Escrow Agent to deposit (i) \$_____ received from the Fiscal Agent from a portion of the net proceeds of the sale of the Bonds and (ii) \$_____ transferred by the Prior Trustee from the funds and accounts held with respect to the Refunded Bonds into the Escrow Fund established hereunder. The Escrow Agent shall hold all such amounts in irrevocable escrow separate and apart from other funds of the City and the Escrow Agent in a fund hereby created and established to be known as the "Escrow Fund" (the "Escrow Fund") and to be applied solely as provided in this

Agreement. The City hereby instructs the Escrow Agent to apply \$_____ of the moneys deposited into the Escrow Fund to purchase the Federal Securities listed in Schedule A hereto and to hold \$_____ uninvested as cash.

Section 2. Investment of Moneys. The Escrow Agent acknowledges receipt of the moneys described in Section 1 and agrees to immediately invest such moneys in the Federal Securities listed on Schedule A hereto and to deposit such Federal Securities as instructed in Section 1 above. The Escrow Bank shall be entitled to rely upon the conclusion of the Verification Agent, that the Federal Securities listed on Schedule A hereto mature and bear interest payable in such amounts and at such times as, together with cash on deposit in the Escrow Fund, will be sufficient to pay when due with respect to the Refunded Bonds, all regularly scheduled payments of principal and interest on and prior to the Redemption Date, and to pay the Redemption Price of the Refunded Bonds on the Redemption Date, as shown on Schedule A attached hereto.

If the Escrow Bank learns that the Department of the Treasury or the Bureau of Fiscal Service will not, for any reason, accept a subscription of state and local government series securities ("SLGS") that is to be submitted pursuant to this Agreement, the Escrow Bank shall promptly request alternative written investment instructions from the City with respect to funds which were to be invested in SLGS. The Escrow Bank shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Bank shall hold such funds uninvested and without liability for interest until receipt of further written instructions from the City. In the absence of investment instructions from the City, the Escrow Bank shall not be responsible for the investment of such funds or interest thereon. The Escrow Bank may conclusively rely upon the City'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 alternative investments or for compliance with any yield restriction applicable thereto.

Section 3. Investment of Any Remaining Moneys. At the written direction of the City, the Escrow Bank shall reinvest any other amount of principal and interest, or any portion thereof, received from the Federal Securities prior to the date on which such payment is required for the purposes set forth herein, in noncallable Federal Securities maturing not later than the date on which such payment or portion thereof is required for the purposes set forth in Section 5, as verified in a report prepared by an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions delivered to the Escrow Bank and Assured Guaranty Corp. to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay all regularly scheduled payments of principal and interest with respect to the Refunded Bonds when due on and prior to the Redemption Date and to pay the Redemption Price of the Refunded Bonds on the Redemption Date, and provided that the City has obtained and delivered to the Escrow Bank an unqualified opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, that such reinvestment will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Refunded Bonds or interest on the Bonds. Any interest income resulting from investment or reinvestment of moneys pursuant to this Section 3 which are not required for the purposes set forth in Section 5, as verified in the letter of the Verification Agent originally obtained by the City with respect to the refunding of the Refunded Bonds or in any other report prepared by an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of tax-exempt obligations of political subdivisions, shall be paid to the City promptly upon the receipt of such interest income by

the Escrow Bank. The determination of the City as to whether an accountant qualifies under this Agreement shall be conclusive.

Section 4. Substitution of Securities. Upon the written request of the City, and subject to the conditions and limitations herein set forth and applicable governmental rules and regulations, the Escrow Bank shall sell, redeem or otherwise dispose of the Federal Securities, provided that there are substituted therefor from the proceeds of the Federal Securities other Federal Securities, but only after the City has obtained and delivered to the Escrow Bank: (i) an unqualified opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, to the effect that the substitution of securities is permitted under the legal documents in effect with respect to the Refunded Bonds and that such reinvestment will not adversely affect the exclusion from gross income for federal income tax purposes of the interest portion of the Refunded Bonds or interest with respect to the Bonds; and (ii) a report by a firm of independent certified public accountants to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay all regularly scheduled payments of principal and interest with respect to the Refunded Bonds when due on and prior to the Redemption Date and to pay the Redemption Price of the Refunded Bonds on the Redemption Date. The Escrow Bank shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Agreement and in full compliance with the provisions hereof.

Section 5. Payment of Refunded Bonds.

(a) Payment. From the amounts on deposit in the Escrow Fund, the Escrow Agent shall pay the Redemption Price of the Refunded Bonds on the Redemption Date.

(b) Irrevocable Instructions to Provide Notice. The form of notice of redemption required to be mailed pursuant to Section 4.03 of the Prior Fiscal Agent Agreement is substantially in the form attached hereto as Exhibit A. The City hereby irrevocably instructs the Escrow Agent to mail a notice of defeasance of the Refunded Bonds, as required to provide for the defeasance of the Refunded Bonds in accordance with this Section 5, which notice is substantially in the form attached hereto as Exhibit B. The City hereby irrevocably instructs the Escrow Agent to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") (i) the notice in the form attached hereto as Exhibit A no later than 30 days prior to the Redemption Date, and (ii) the notice in the form attached hereto as Exhibit B no later than 10 days after the deposit of the moneys as set forth in Section 1 hereof.

(c) Unclaimed Moneys. Section 11.03 of the Prior Fiscal Agent Agreement shall govern the deposition of unclaimed moneys.

(d) Priority of Payments. The owners of the Refunded Bonds shall have a first and exclusive lien on all moneys in the Escrow Fund until such moneys are used and applied as provided in this Agreement.

(e) Termination of Obligation. As provided in the Prior Fiscal Agent Agreement, upon deposit of moneys with the Escrow Agent in the Escrow Fund as set forth in Section 1 hereof, all liability of the City in respect of the Refunded Bonds shall cease, terminate and be completely discharged, and the owners thereof shall thereafter be entitled only to payment out of the moneys held in the Escrow Fund.

Section 6. Application of Certain Terms of the Prior Fiscal Agent Agreement. All of the terms of the Prior Fiscal Agent Agreement relating to the making of payments of principal and interest on the Refunded Bonds and relating to the exchange or transfer of the Refunded Bonds are incorporated in this Agreement as if set forth in full herein. The procedures set forth in Sections 8.02 and 8.03 of the Prior Fiscal Agent Agreement relating to the resignation and removal and merger of the Prior Trustee under the Prior Fiscal Agent Agreement are also incorporated in this Agreement as if set forth in full herein and shall be the procedures to be followed with respect to any resignation or removal of the Escrow Agent hereunder.

Section 7. Performance of Duties. The Escrow Agent agrees to perform only the duties set forth herein and shall have no responsibility to take any action or omit to take any action not set forth herein.

Section 8. Escrow Agent's Authority to Make Investments. The Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of the moneys held hereunder except as provided in Sections 2, 3 and 4 hereof.

Section 9. Indemnity. The City hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, 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 City 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 Fund, the acceptance of the funds deposited therein, the retention of the proceeds thereof and any payment, transfer or other application of moneys by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the City 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 respective employees or the willful breach by the Escrow Agent of the terms of this Agreement. In no event shall the City or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent.

Section 10. Responsibilities of Escrow Agent. 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 Fund, the acceptance of the moneys deposited therein, or any payment, transfer or other application of moneys 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 recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the City, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the proceeds to accomplish the refunding of the Refunded Bonds or to the validity of this Agreement as to the City 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, willful misconduct or material default, and the duties and

obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. In no event shall the Escrow Agent be liable for any special, indirect, or consequential damages. The Escrow Agent may consult with counsel of its selection, who may or may not be counsel to the City, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. 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 may be deemed to be conclusively established by a certificate signed by an officer of the City.

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 hereunder, or in the exercise of its rights or powers.

The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Agreement and delivered using Electronic Means (“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Escrow Agent an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent elects to act upon such Instructions, the Escrow Agent’s understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

Any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Agent may sell or transfer all or substantially all

of its corporate trust business shall be the successor to the Escrow Agent without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

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 may conclusively rely, as to the trust and accuracy of the statements and correctness of the opinions and the calculations provided to it in connection with this Agreement, and shall be protected in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document or opinion furnished to the Escrow Agent in accordance with this Agreement and reasonably believed by the Escrow Agent to have been signed or presented by the proper party, and it need not investigate any facts or matter stated in such notice, instruction, request, certificate or opinion.

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

Section 11. Amendments. This Agreement is made for the benefit of the City and the owners from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Agent and the City; provided, however, that the City and the Escrow Agent may, without the consent of, or notice to, such owners, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement, the 1984 Act, or the Prior Fiscal Agent Agreement, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Agent for the benefit of the owners of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Agent; and (iii) to include under this Agreement additional funds. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the various Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section.

Section 12. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either: (i) the date upon which the Refunded Bonds have been paid in accordance with this Agreement; or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 5(c) of this Agreement.

Section 13. Compensation. The Escrow Agent shall receive its reasonable fees and expenses as previously agreed to by the Escrow Agent and the City and any other reasonable fees and expenses of the Escrow Agent approved by the City; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien or assert any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or expenses

incurred by the Escrow Agent under this Agreement. The provisions of this Section 13 shall survive the termination of this Escrow Agreement or the resignation or removal of the Escrow Agent.

Section 14. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 15. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

Section 16. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED UNDER THE LAWS OF THE STATE OF CALIFORNIA.

Section 17. Insufficient Funds. If at any time the Escrow Agent has actual knowledge that the moneys and investments in the Escrow Fund, including the anticipated proceeds of and earnings thereon, will not be sufficient to make all payments required by this Agreement, the Escrow Agent shall notify the City in writing, of the amount thereof and the reason therefor to the extent known to it. The Escrow Agent shall have no responsibility regarding any such deficiency.

Section 18. Notice to City, Escrow Agent. Any notice to or demand upon the Escrow Agent may be served or presented, and such demand may be made, at the principal corporate trust office of the Escrow Agent at The Bank of New York Mellon Trust Company, N.A., 400 South Hope Street, Suite 500, Los Angeles, California 90071, Attention: Corporate Trust Department. Any notice to or demand upon the City shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the City at 111 Civic Drive, Hercules, California 94547, Attention: City Manager (or such other address as may have been filed in writing by the City with the Escrow Agent).

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

CITY OF HERCULES

By: _____
Trustee

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,
as Escrow Agent

By: _____
Authorized Officer

SCHEDULE A

Federal Securities

<i>Security</i>	<i>Settlement Date</i>	<i>Maturity</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Price</i>
SLGS	12/4/19	3/2/2020	\$	%	

SCHEDULE B

Escrow Fund Cash Flow

<i>Date</i>	<i>Total Cash Receipt from Federal Securities</i>	<i>Cash Disbursement from Escrow</i>	<i>Cash Balance</i>
Beginning Balance:			\$
December 4, 2019	\$	\$	
March 2, 2020			
Total	<u>\$</u>	<u>\$</u>	

EXHIBIT A

NOTICE OF REDEMPTION

\$6,550,345
CITY OF HERCULES
ASSESSMENT DISTRICT NO. 2005-1 (JOHN MUIR PARKWAY)
LIMITED OBLIGATION IMPROVEMENT BONDS

NOTICE IS HEREBY GIVEN to the owners of the above-captioned Assessment District No. 2005-1 (John Muir Parkway) Limited Obligation Improvement Bonds (the "Refunded Bonds") of the City of Hercules (the "City") issued pursuant to the Fiscal Agent Agreement, dated as of July 1, 2005 (the "Prior Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Prior Trustee"), that the Refunded Bonds in the following principal amount have been called for redemption on March 2, 2020 (the "Redemption Date").

<i>CUSIP*</i>	<i>Maturity (September 2)</i>	<i>Rate</i>	<i>Amount</i>	<i>Price</i>
427034EG4	2020	4.850%	\$ 130,000	100.000
427034EH2	2025	5.000	750,000	100.000
427034EJ8	2030	5.000	955,000	100.000
427034EK5	2035	5.100	1,225,000	100.000

The Refunded Bonds being redeemed will be payable on the Redemption Date at a redemption price of 100% of the principal amount to be redeemed, plus interest accrued to the Redemption Date (the "Redemption Price"). Interest on the Refunded Bonds being redeemed will cease to accrue on and after the Redemption Date, and the Refunded Bonds being redeemed will be surrendered to the Prior Trustee.

All Refunded Bonds being redeemed are required to be surrendered to the principal corporate office of the Prior Trustee, on the Redemption Date at the following location. If the Refunded Bonds being redeemed are mailed, the use of registered, insured mail is recommended:

<i>First Class/Registered/Certified</i>	<i>Express Delivery Only</i>	<i>By Hand Only</i>
The Bank of New York Mellon Global Corporate Trust P.O. Box 396 East Syracuse, NY 13057	The Bank of New York Mellon Global Corporate Trust 111 Sanders Creek Parkway East Syracuse, NY 13057	The Bank of New York Mellon Global Corporate Trust Corporate Trust Window 101 Barclay Street 1st Floor East New York, NY 10286

If the Owner of any Refunded Bond being redeemed fails to deliver such Refunded Bond to the Prior Trustee on the Redemption Date, such Refunded Bond shall nevertheless be deemed redeemed on the Redemption Date and the Owner of such Refunded Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the Prior Trustee for such payment.

Federal law requires the Prior Trustee 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.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

DATED this 31st day of January, 2020.

EXHIBIT B

NOTICE OF DEFEASANCE

\$6,550,345
CITY OF HERCULES
ASSESSMENT DISTRICT NO. 2005-1 (JOHN MUIR PARKWAY)
LIMITED OBLIGATION IMPROVEMENT BONDS

NOTICE IS HEREBY GIVEN to the owners of the above-captioned City of Hercules Assessment District No. 2005-1 (John Muir Parkway) Limited Obligation Improvement Bonds (the “Refunded Bonds”), that the City of Hercules (the “City”) has deposited with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “Escrow Agent”) under the Escrow Agreement, dated as of December 1, 2019 (the “Escrow Agreement”), by and between the City and Escrow Agent, cash and Federal Securities as permitted under the Fiscal Agent Agreement dated as of July 1, 2005 (the “Prior Fiscal Agent Agreement”) by and between the City and The Bank of New York Mellon Trust Company, N.A., sufficient to pay on March 2, 2020 the redemption price on the Refunded Bonds maturing on and after September 2, 2020, being the principal amount thereof, without premium.

The Refunded Bonds to be defeased are as follows:

<i>CUSIP*</i>	<i>Maturity (September 2)</i>	<i>Rate</i>	<i>Amount</i>
427034EG4	2020	4.850%	\$ 130,000
427034EH2	2025	5.000	750,000
427034EJ8	2030	5.000	955,000
427034EK5	2035	5.100	1,225,000

In accordance with Section 10.01 of the Prior Fiscal Agent Agreement, the Refunded Bonds are deemed to be defeased and no longer outstanding and the rights of the owners of the Refunded Bonds to the covenants contained in the Prior Fiscal Agent Agreement and to all monies, accounts, assessment installment payments or security for payment for the Refunded Bonds, other than the amounts held under the Escrow Agreement, have terminated.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Escrow Agent

DATED this 4th day of December, 2019.

* The undersigned shall not be held responsible for the selection or use of the CUSIP number in this Notice of Redemption, nor is any representation made as to its correctness. It is included solely for the convenience of the owners of such Refunded Bonds.