

**SUCCESSOR AGENCY TO THE  
HERCULES REDEVELOPMENT AGENCY**

**TAX ALLOCATION REFUNDING  
BONDS, SERIES 2022A**

**TAX ALLOCATION REFUNDING BONDS,  
SERIES 2022B  
(FEDERALLY TAXABLE)**

**BOND PURCHASE AGREEMENT**

[Pricing Date]

Successor Agency to the  
Hercules Redevelopment Agency  
111 Civic Drive  
Hercules, California 94547

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”) offers to enter into this Bond Purchase Agreement (this “**Bond Purchase Agreement**”) with the Successor Agency to the Hercules Redevelopment Agency (the “**Successor Agency**”), which will be binding upon the Successor Agency and the Underwriter upon the acceptance hereof by the Successor Agency. This offer is made subject to its acceptance by the Successor Agency by execution of this Bond Purchase Agreement and its delivery to the Underwriter on or before 11:59 p.m., California time, on the date hereof.

The Successor Agency acknowledges and agrees that: (i) the purchase and sale of the Bonds (as hereinafter defined) pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction between the Successor Agency and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)), and the Underwriter is not acting as a financial advisor or fiduciary to the Successor Agency and has not assumed an advisory or fiduciary responsibility in favor of the Successor Agency with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the Successor Agency on other matters); (iii) the only obligations the Underwriter has to the Successor Agency with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement; (iv) the Successor Agency has consulted its own legal, accounting, tax, financial, municipal and other advisors to the extent it has deemed appropriate; (v) the Underwriter has financial interests that may differ from and be adverse to those of the Successor Agency; and (vi) the Underwriter has provided the Successor Agency with certain disclosures required under the rules of the Municipal Securities Rulemaking Board (the “**MSRB**”). The Successor Agency acknowledges and represents that it has engaged Urban Futures, Inc. as its municipal advisor (as defined in Securities and Exchange Commission Rule 15Ba1) and will rely on the financial advice of Urban Futures, Inc.. with respect to the Bonds. The Successor Agency hereby acknowledges receipt from the Underwriter of disclosures required by the MSRB Rule G-17, relating to the Underwriter’s role in the transaction, the Underwriter’s compensation, conflict disclosures, if any, and complex municipal securities financing, if any.

Terms not otherwise defined herein shall have the same meanings as set forth in the Indenture, described below.

1. *Purchase and Sale; Use of Proceeds.* Upon the terms and conditions and in reliance upon the representations, warranties and covenants herein, the Successor Agency hereby agrees to sell to the Underwriter and the Underwriter hereby agrees to purchase from the Successor Agency for offering to the public, all (but not less than all) of the (i) \$[PARA] Successor Agency to the Hercules Redevelopment Agency Tax Allocation Refunding Bonds, Series 2022A (the “**Series 2022A Bonds**”), at the purchase price of \$\_\_\_\_\_ being the principal amount of the Series 2021A Bonds of \$[PARA], less an Underwriter’s discount of \$\_\_\_\_\_, and plus original issue premium of \$\_\_\_\_\_, and (ii) \$[PARB] Successor Agency to the Hercules Redevelopment Agency Tax Allocation Refunding Bonds, Series 2022B (Federally Taxable) (the “**Series 2022B Bonds**” and together with the Series 2022A Bonds, the “**Bonds**”), at the purchase price of \$\_\_\_\_\_ being the principal amount of the Series 2022A Bonds of \$[PARB], less an Underwriter’s discount of \$\_\_\_\_\_, and plus original issue premium of \$\_\_\_\_\_. [The Successor Agency acknowledges that the Underwriter will on the Closing Date (as such term is defined herein), on behalf of the Successor Agency, wire a portion of the purchase price for the [Bonds] in the total amount of \$\_\_\_\_\_, as the premiums for the 2022 Insurance Policy and 2022 Reserve Policy (as such terms are defined herein), directly to \_\_\_\_\_ (the “**2022 Insurer**”).

The Bonds shall be dated the Closing Date, and shall bear interest at the rates, shall mature on the dates and in the principal amounts and shall be subject to redemption, all as set forth in the attached Exhibit A.

The proceeds of the Series 2022A Bonds will be used by the Successor Agency to (i) refund all of the outstanding Hercules Redevelopment Agency, Hercules Merged Project Area, Tax Allocation Bonds, Series 2005 (the “**2005 Bonds**”), all of the outstanding Hercules Redevelopment Agency, Hercules Merged Project Area, Tax Allocation Bonds, 2007 Series A (the “**2007A Bonds**”), and all of the outstanding Hercules Redevelopment Agency, Hercules Merged Project Area, Housing Tax Allocation Bonds, 2007 Series B (the “**2007B Bonds**”), [(ii) pay an allocable portion of the premiums for the municipal bond insurance policy to be issued by the 2022 Insurer insuring the [Bonds] (the “**2022 Insurance Policy**”) and the Municipal Bond Debt Service Reserve Insurance Policy to be issued by the 2022 Insurer guaranteeing certain payments into the Reserve Account with respect to the Bonds (the “**2022 Reserve Policy**”), and (iii) pay the costs of issuing the Series 2022A Bonds.

The proceeds of the Series 2022B Bonds will be used by the Successor Agency to refund all of the outstanding Hercules Redevelopment Agency, Hercules Merged Project Area, Housing Tax Allocation Bonds, 2007 Series A (Taxable) (the “**2007 Housing Bonds**” and together with the 2005 Bonds, the 2007A Bonds, and the 2007B Bonds, the “**Prior Obligations**”), [(ii) pay an allocable portion of the premiums for the 2022 Insurance Policy and the 2022 Reserve Policy], and (iii) pay the costs of issuing the Series 2022A Bonds.

The Bonds are special, limited obligations of the Successor Agency, payable from, and secured by a lien on Pledged Tax Revenues, as such term is defined in an Indenture of Trust, dated as of \_\_\_\_\_ 1, 2022 (the “**Indenture**”), by and between the Successor Agency and the Trustee.

Each series of Prior Obligations will be refunded pursuant to an Escrow Agreement for such series Escrow Agreements, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as Escrow Bank (collectively, the “**Escrow Agreements**”).

The Bonds were authorized to be issued by a resolution of the Successor Agency, adopted on [January 11, 2022] (the “**Successor Agency Bond Resolution**”), and a resolution of the Contra Costa Countywide Oversight Board, adopted on [January 24, 2022] (the “**Oversight Board Resolution**”).

2. *Bona Fide Public Offering.* It shall be a condition to the Successor Agency’s obligations to sell and to deliver the Bonds to the Underwriter and to the Underwriter’s obligations to purchase, to accept delivery of and to pay for the Bonds that the entire aggregate principal amount of the Bonds shall be issued, sold and delivered by the Successor Agency and purchased, accepted and paid for by the Underwriter at the Closing. The Underwriter agrees to make a bona fide public offering of all of the Bonds at the initial public offering prices or yields set forth in Exhibit A hereto and on the inside front cover page of the Official Statement.

3. *Official Statement.* The Successor Agency shall deliver or cause to be delivered to the Underwriter promptly after acceptance of this Bond Purchase Agreement copies of the Official Statement relating to the Bonds, dated the date hereof (which, together with all exhibits and appendices included therein or attached thereto and with such amendments or supplements thereto which shall be approved by the Underwriter, the “**Official Statement**”). The Successor Agency authorizes the Official Statement, including the cover page and Appendices thereto and the information contained therein, to be used in connection with the sale of the Bonds and ratifies, confirms and approves the use and distribution by the Underwriter for such purpose, prior to the date hereof, of the Preliminary Official Statement dated [POS Date] (the “**Preliminary Official Statement**”). The Successor Agency authorized distribution of the Preliminary Official Statement and preparation and distribution of a final Official Statement pursuant to a resolution adopted on [February 22], 2022 (the “**Successor Agency OS Resolution,**” together with the Successor Agency Bond Resolution, the “**Successor Agency Resolutions**”).

The Successor Agency has deemed such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (“**Rule 15c2-12**”), except for information allowed to be omitted by Rule 15c2-12. The Successor Agency also agrees to deliver to the Underwriter, at the Successor Agency’s sole cost and at such address as the Underwriter shall specify, as many copies of the Official Statement as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12 and with Rule G-32 and all other applicable rules of the MSRB. The Successor Agency agrees to deliver such copies of the Official Statement within seven (7) business days after the date hereof. Such Official Statement shall contain all information previously permitted to be omitted by Rule 15c2-12. The Underwriter agrees to give written notice to the Successor Agency of the date after which the Underwriter shall no longer be obligated to deliver Official Statements pursuant to paragraph (b)(4) of Rule 15c2-12 which shall be no later than 25 days after the End of the Underwriting Period (as such term is hereinafter defined).

The Underwriter agrees to promptly file a copy of the final Official Statement, including any supplements prepared by the Successor Agency, in compliance with MSRB Rule G-32, and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission (the “**SEC**”) rules and MSRB rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers thereof.

4. *Representations, Warranties and Agreements of the Successor Agency.* The Successor Agency represents and warrants to the Underwriter that, as of the date hereof:

(a) The Successor Agency is a public entity existing under the laws of the State of California (the “**State**”), and is authorized, among other things, to (i) issue the Bonds, and (ii) secure the Bonds in the manner contemplated by the Indenture.

(b) The Successor Agency has the full right, power and authority to (i) enter into the Indenture, the Escrow Agreements, the Disclosure Certificate (as hereinafter defined) and this Bond Purchase Agreement, (ii) issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iii) carry out and consummate all other transactions on its part contemplated by each of the aforesaid documents, and the Successor Agency has complied with all provisions of applicable law in all matters relating to such transactions.

(c) The Successor Agency has duly authorized (i) the execution and delivery of the Bonds and the execution, delivery and due performance by the Successor Agency of the Escrow Agreements, the Disclosure Certificate, this Bond Purchase Agreement and the Indenture, (ii) the distribution and use of the “deemed final” Preliminary Official Statement and the execution, delivery and distribution of the final Official Statement, and (iii) the taking of any and all such action as may be required on the part of the Successor Agency to carry out, give effect to and consummate the transactions on its part contemplated by such instruments. All consents or approvals necessary to be obtained by the Successor Agency in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect.

(d) The information contained in the Preliminary Official Statement (excluding therefrom for any information relating to the [2022 Insurer, the 2022 Insurance Policy, the 2022 Reserve Policy,] The Depository Trust Company (“DTC”) and its book-entry system included therein and the information therein under the caption [“UNDERWRITING”]) is true and correct in all material respects, and the Preliminary Official Statement did not on the date thereof contain any untrue or misleading statement of a material fact relating to the Successor Agency or the City of Hercules, California (the “City”) or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) The information contained in the Official Statement (excluding therefrom for any information relating to [the 2022 Insurer, the 2022 Insurance Policy, the 2022 Reserve Policy,] DTC and its book-entry system included therein and the information therein under the caption [“UNDERWRITING”]) is true and correct in all material respects, and the Official Statement does not contain any untrue or misleading statement of a material fact relating to the Successor Agency or the City or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Neither the execution and delivery by the Successor Agency of the Indenture, the Escrow Agreements, the Disclosure Certificate, this Bond Purchase Agreement and of the Bonds nor the consummation of the transactions on the part of the Successor Agency contemplated herein or therein or the compliance with the provisions hereof or thereof will conflict with, or constitute on the part of the Successor Agency a violation of, or a breach of or default under, (i) any statute, indenture, mortgage, note or other agreement or instrument to which the Successor Agency is a party or by which it is bound, (ii) any provision of the State Constitution, or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the Successor Agency (or the members of the Successor Agency or any of its officers in their respective capacities as such) is subject.

(g) The Successor Agency has never been in default at any time, as to payment of principal of or interest on any debt obligation which it has issued, except as otherwise specifically disclosed in the Preliminary Official Statement and the Official Statement; and the Successor Agency has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Pledged Tax Revenues except as is expressly disclosed in the Preliminary Official Statement and the Official Statement.

(h) As of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which has been served on the Successor Agency or, to the best knowledge of the Successor Agency, threatened, which in any way questions the powers of the Successor Agency referred to in paragraph (b) above, or the validity of any proceeding taken by the Successor Agency in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by the Escrow Agreements, this Bond Purchase Agreement or the Indenture, or which, in any way, could adversely affect the validity or enforceability of the Indenture, the Bonds, the Escrow Agreements, the Disclosure Certificate or this Bond Purchase Agreement or, to the knowledge of the Successor Agency, which in any way questions the status of the Bonds under state tax laws or federal tax law or regulations or which in any way could materially adversely affect the availability of Pledged Tax Revenues.

(i) Any certificate signed by any official of the Successor Agency and delivered to the Underwriter in connection with the offer or sale of the Bonds shall be deemed a representation and warranty by the Successor Agency to the Underwriter as to the truth of the statements therein contained.

(j) The Successor Agency will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter and at the expense of the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds, provided; however, that the Successor Agency will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(k) All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the Successor Agency of, its obligations in connection with the Indenture have been duly obtained or made and are in full force and effect.

(l) Between the date of this Bond Purchase Agreement and the Closing Date, the Successor Agency will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

(m) The Successor Agency will apply the proceeds of the Bonds in accordance with the Indenture.

(n) Except as otherwise described in the Preliminary Official Statement and the Official Statement, as of the Closing Date, the Successor Agency will not have outstanding any indebtedness which indebtedness is secured by a lien on the Pledged Tax Revenues of the Successor Agency on a parity with or senior to the lien provided for in the Indenture on the Pledged Tax Revenues.

(o) Except as described in the Preliminary Official Statement and the Official Statement, neither the Successor Agency, the City nor any other related entities have failed, within the last five years, to comply in all material respects with any undertaking of the Successor Agency pursuant to Rule 15c2-12. The report of Lumesis, Inc. dated \_\_\_\_\_, 2022 identifies all of the issues for which

the Successor Agency, the City and their related entities were obligated to provide continuing disclosure under Rule 15c2-12 during the past five years and all of the material event filings that were required with respect to such issues during the five-year period.

(p) If between the date hereof and the date which is 25 days after the End of the Underwriting Period, as defined herein, for the Bonds, an event occurs which would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information herein, in the light of the circumstances under which it was presented, not misleading, the Successor Agency will notify the Underwriter, and, if in the opinion of the Underwriter or the Successor Agency, or respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Successor Agency will cooperate in the preparation of an amendment or supplement to the Official Statement in a form and manner approved by the Underwriter, and shall pay all expenses thereby incurred. For the purposes of this subsection, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, the Successor Agency will furnish such information with respect to itself as the Underwriter may from time to time reasonably request. As used herein, the term “**End of the Underwriting Period**” means the later of such time as: (i) the Successor Agency delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Notwithstanding the foregoing, unless the Underwriter gives notice to the contrary, the “End of the Underwriting Period” shall be the Closing Date.

(q) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (p) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact required to be stated therein or necessary to make such information therein in the light of the circumstances under which it was presented, not misleading.

(r) The Oversight Board has duly adopted the Oversight Board Resolution approving the Successor Agency Bond Resolution and the issuance of the Bonds and no further Oversight Board approval or consent is required for the issuing of the Bonds or the consummation of the transactions described in the Preliminary Official Statement.

(s) The Department of Finance of the State (the “**Department of Finance**”) has issued a letter dated \_\_\_\_\_, 2022 (the “**DOF Letter**”), approving the issuance of the Bonds. No further Department of Finance approval or consent is required for the issuance of the Bonds or the consummation of the transactions described in the Preliminary Official Statement. The Successor Agency has received its Finding of Completion from the Department of Finance. Except as disclosed in the Official Statement, the Successor Agency is not aware of the Department of Finance directing or having any basis to direct the Auditor-Controller of the County of Contra Costa to deduct unpaid unencumbered funds from future allocations of property tax to the Successor Agency pursuant to Section 34183 of the Dissolution Act.

(t) As of the time of acceptance hereof, the Successor Agency has complied with the filing requirements of the Dissolution Act, including, without limitation, the filing of all Recognized Obligation Payment Schedules, as required by the Dissolution Act.

5. *Covenants of the Successor Agency.* The Successor Agency covenants with the Underwriter as of the Closing Date as follows:

(a) The Successor Agency covenants and agrees that it will execute a continuing disclosure certificate, constituting an undertaking to provide ongoing disclosure about the Successor Agency, for the benefit of the owners of the Bonds as required by Section (b)(5)(i) of Rule 15c2-12, substantially in the form attached to the Preliminary Official Statement (the “**Disclosure Certificate**”).

(b) Any information supplied by the Successor Agency for inclusion in any amendments or supplements to the Preliminary Official Statement or the Official Statement will not contain any untrue or misleading statement of a material fact relating to the Successor Agency or omit to state any such fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

6. *Closing.* (a) At 8:00 A.M., on [Closing Date], or on such earlier or later time or date as may be agreed upon by the Underwriter and the Successor Agency (the “**Closing Date**”), the Successor Agency will deliver the Bonds to the Underwriter, through the book-entry system of DTC. The activities relating to the execution and delivery of the Bonds, opinions and other instruments as described in Section 7 of this Bond Purchase Agreement shall occur on the Closing Date. The delivery of the certificates, opinions and documents as described herein shall be made at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California (“**Bond Counsel**”), or at such other place as shall have been mutually agreed upon by the Successor Agency and the Underwriter. Such delivery is herein called the “**Closing**.” On the date of the Closing, the Underwriter will pay the purchase price of the Bonds as set forth in Section 1 of this Bond Purchase Agreement in immediately available funds to the order of the Trustee.

(b) The Bonds will be issued in fully registered form and will be prepared and delivered as one Bond for each maturity registered in the name of a nominee of DTC. It is anticipated that CUSIP identification numbers will be inserted on the Bonds, but neither the failure to provide such numbers nor any error with respect thereto will constitute a cause for failure or refusal by the Underwriter to accept delivery of the Bonds in accordance with the terms of this Bond Purchase Agreement.

7. *Closing Conditions.* The obligations of the Underwriter hereunder shall be subject to the performance by the Successor Agency of its obligations hereunder at or prior to the Closing Date and are also subject to the following conditions:

(a) the representations, warranties and covenants of the Successor Agency contained herein shall be true and correct in all material respects as of the Closing Date;

(b) as of the Closing Date, there shall have been no material adverse change in the financial condition of the Successor Agency that is not disclosed in the Preliminary Official Statement or the Official Statement;

(c) as of the Closing Date, all official action of the Successor Agency relating to this Bond Purchase Agreement, the Disclosure Certificate, the Escrow Agreements and the Indenture shall be in full force and effect;

(d) as of the Closing Date, the Underwriter shall receive the following certificates, opinions and documents, in each case satisfactory in form and substance to the Underwriter:

(i) a copy of the Indenture, as duly executed and delivered by the Successor Agency and the Trustee;

(ii) a copy of the Disclosure Certificate, as duly executed and delivered by the Successor Agency;

(iii) copies of the Escrow Agreements, duly executed and delivered by the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as Escrow Bank;

(iv) an opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, in the form attached as [Appendix C] to the Official Statement;

(v) a certificate, dated the Closing Date, of the Successor Agency executed by the Executive Director of the Successor Agency (or other duly appointed officer of the Successor Agency authorized by resolution of the Successor Agency) to the effect that (A) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Successor Agency or, to the knowledge of the Successor Agency, threatened against or affecting the Successor Agency to restrain or enjoin the Successor Agency's participation in, or in any way contesting the existence of the Successor Agency or the powers of the Successor Agency with respect to, the transactions contemplated by the Escrow Agreements, this Bond Purchase Agreement or the Indenture, and consummation of such transactions; (B) the representations and warranties of the Successor Agency contained in this Bond Purchase Agreement are true and correct in all material respects, and the Successor Agency has complied with all agreements and covenants and satisfied all conditions to be satisfied at or prior to the Closing Date as contemplated by the Escrow Agreements, the Indenture and this Bond Purchase Agreement; (C) no event affecting the Successor Agency has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; (D) no further consent is required to be obtained for the inclusion of the audited financial statements of the Successor Agency for the fiscal year ended [June 30, 2020], as [Appendix E] to the Official Statement; (E) the refunding of the outstanding Prior Obligations with the proceeds of the Bonds will achieve debt service savings in compliance with the parameters set forth in §34177.5(a) of the Health and Safety Code of the State of California in that (i) the total interest cost to maturity on the Bonds plus the principal amount of the Bonds shall not exceed the total remaining interest cost to maturity on the outstanding Prior Obligations plus the remaining principal amount of the outstanding Prior Obligations, and (ii) the principal amount of the Bonds shall not exceed the amount required to defease the outstanding Prior Obligations, to establish customary debt service reserves, and to pay related costs of issuance, as evidenced by the pertinent debt service schedules attached to such certificate; and (F) all costs of issuance being paid from proceeds constitute related costs of issuance within the meaning of Section 34177.5(a) of the Health and Safety Code and all Costs of Issuance are properly chargeable to the Bonds in accordance with proper governmental accounting principles;

(vi) an opinion of the City Attorney, as counsel to the Successor Agency, dated the Closing Date and addressed to the Successor Agency and the Underwriter to the effect that:

(A) the Successor Agency is a public body, organized and existing under the laws of the State;



(B) the Successor Agency has full legal power and lawful authority to enter into the Indenture, the Escrow Agreements and this Bond Purchase Agreement, and to execute and deliver the Disclosure Certificate;

(C) the Successor Agency Resolutions were duly adopted at meetings of the governing body of the Successor Agency, which were called and held pursuant to the law and with all public notice required by law and at which a quorum was present and acting throughout, and the Successor Agency Resolutions are in full force and effect and have not been modified, amended or rescinded;

(D) the Indenture, the Escrow Agreements, the Disclosure Certificate, and this Bond Purchase Agreement have been duly authorized, executed and delivered by the Successor Agency and, assuming due authorization, execution and delivery by the other parties thereof, constitute the valid, legal and binding agreements of the Successor Agency enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally;

(E) the information in the Preliminary Official Statement and the Official Statement under the captions ["INTRODUCTORY STATEMENT – The City and Agency," "– The Redevelopment Plan," "– Senior Obligations," "SECURITY FOR THE 2022 BONDS," "THE SUCCESSOR AGENCY TO THE HERCULES REDEVELOPMENT AGENCY," and "THE PROJECT AREA,"] insofar as such statements purport to summarize information with respect to the Successor Agency, the [Project Area (as defined therein)] and the Successor Agency's tax sharing and other obligations with respect to the Project Area, fairly and accurately summarizes the information presented therein; and

(F) to the best knowledge of the City Attorney after due inquiry, except as otherwise disclosed in the Official Statement, there is no litigation, action, suit, proceeding or investigation (or any basis therefor) at law or in equity before or by any court, governmental agency or body, pending by way of a summons served against the Successor Agency or, to the knowledge of the City Attorney, threatened in writing against the Successor Agency, challenging the creation, organization or existence of the Successor Agency, or the validity of the Indenture, the Escrow Agreements, the Disclosure Certificate or this Bond Purchase Agreement or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby or contesting the authority of the Successor Agency to enter into or perform its obligations under the Indenture, the Escrow Agreements, the Disclosure Certificate or this Bond Purchase Agreement, or under which a determination adverse to the Successor Agency would have a material adverse effect upon the availability of Pledged Tax Revenues, or which, in any manner, questions the right of the Successor Agency to enter into, and perform under, the Indenture, the Escrow Agreements, the Disclosure Certificate or this Bond Purchase Agreement;

(G) Without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, nothing has come to the attention of the City Attorney which would lead the City Attorney to believe that the Preliminary Official Statement and the Official Statement as of their respective dates or the Closing Date (excluding therefrom the financial information and

the statistical data included thereon included in the Preliminary Official Statement and the Official Statement, as to which no opinion is expressed) contain any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstance under which they were made, not misleading.

The City Attorney opinion may provide that (i) the opinions may be affected by actions taken or events occurring after the date of the opinion, (ii) as to questions of fact material to its opinions, the City Attorney has relied upon representations by the principal officers of the City, (iii) whenever a statement in the City Attorney opinion is qualified by "to the knowledge of the City Attorney" or similar statement, it is intended to indicate that, during the course of the City Attorney's representation of the City in connection with the transactions described in the City Attorney opinion, no information that would give the City Attorney current actual knowledge of the inaccuracy of such statement has come to its attention, and (iv) no opinion is expressed with regard to any laws other than laws of the State of California, and no opinion is expressed as to matters covered by any tax or securities law or regulation.

(vii) an opinion of counsel to The Bank of New York Mellon Trust Company, N.A. ("BNY"), dated the Closing Date and addressed to the Successor Agency and the Underwriter, to the effect that:

(A) BNY is a national banking association organized and existing under the laws of the United States of America, having full power to enter into, accept and administer the trust created under the Indenture and the Escrow Agreements;

(B) the Indenture and the Escrow Agreements have been duly authorized, executed and delivered by BNY and each of the Indenture and the Escrow Agreements constitutes a legal, valid and binding obligation of BNY enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(C) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over BNY that has not been obtained is or will be required for the execution and delivery of the Indenture and the Escrow Agreements or the consummation of the transactions contemplated by the Indenture and the Escrow Agreements; and

(D) BNY has duly authenticated the Bonds.

(viii) a certificate, dated the Closing Date, of BNY, signed by a duly authorized officer of BNY, to the effect that (A) BNY is duly organized and validly existing as a national banking association, with full corporate power to undertake the trust of the Indenture and the Escrow Agreements; (B) BNY has duly authorized, executed and delivered the Indenture and the Escrow Agreements and by all proper corporate action has authorized the acceptance of the trust of the Indenture and Escrow Agreements; and (C) to the officer's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Trustee (either in state or federal courts), or to the knowledge of BNY which would restrain or enjoin the execution or delivery of the Indenture or the Escrow Agreements, or which would affect the validity or enforceability of the Indenture or the Escrow Agreements, or BNY's participation in, or in any way contesting the powers or the authority of

BNY with respect to, the transactions contemplated by the Indenture or the Escrow Agreements, or any other agreement, document or certificate related to such transactions;

(ix) a supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Successor Agency and the Underwriter, to the effect that:

(A) this Bond Purchase Agreement, the Disclosure Certificate and the Escrow Agreements have been duly authorized, executed and delivered by the Successor Agency, and assuming the valid execution and delivery by the other parties thereto, are valid and binding upon the Successor Agency, subject to the laws relating to bankruptcy, insolvency, reorganization of creditors' rights generally and to the application of equitable principles;

(B) the Bonds are exempt from registration pursuant to Section 3(a)(2) of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(C) the statements contained in the Official Statement under the captions ["THE 2022 BONDS," "SECURITY FOR THE 2022 BONDS," "TAX MATTERS" and "APPENDIX B – SUMMARY OF THE INDENTURE"] thereto are accurate insofar as such statements purport to expressly summarize certain provisions of the Bonds, the Indenture and Bond Counsel's opinion concerning federal tax matters relating to the Bonds;

(x) a letter of Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California, as disclosure counsel to the Successor Agency, dated the Closing Date and addressed to the Underwriter in substantially the form attached hereto as Exhibit B;

(xi) the opinion of Underwriter's counsel satisfactory to the Underwriter;

(xii) the final Official Statement executed by an authorized officer of the Successor Agency;

(xiii) certified copies of the Successor Agency Resolutions and the Oversight Board Resolution;

(xiv) specimen Bonds;

(xv) satisfactory evidence that the Bonds have been assigned the ratings disclosed in the Official Statement;

(xvi) a certificate of an officer of RSG, Inc., as fiscal consultant (the "**Fiscal Consultant**"), dated the date of the Closing, addressed to the Successor Agency and the Underwriter, to the effect that, to the best of its knowledge, the assessed valuations and other fiscal information contained in the Official Statement, including such firm's Fiscal Consultant's Report attached thereto as [Appendix A], are presented fairly and accurately, and consenting to the use of its report as [Appendix A] to the Preliminary Official Statement and the Official Statement;

(xvii) evidence of required filings with the California Debt and Investment Advisory Commission;

(xviii) a copy of the DOF Letter;

(xix) a certificate, dated the Closing Date, signed by a duly authorized official of Urban Futures, Inc., as municipal advisor to the Successor Agency (the “**Municipal Advisor**”) to the effect that, (A) in connection with its participation in the preparation of the Preliminary Official Statement and the Official Statement and without undertaking any independent investigation and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Preliminary Official Statement or the Official Statement, nothing has come to the attention of the Municipal Advisor that would lead it to believe that the statements and information contained in the Preliminary Official Statement as of the date thereof and the date hereof and the Official Statement as of its date and the Closing Date contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (B) the refunding of the outstanding Prior Obligations with the proceeds of the Bonds will achieve debt service savings in compliance with the parameters set forth in §34177.5(a) of the Health and Safety Code of the State of California in that (i) the total interest cost to maturity on the Bonds plus the principal amount of the Bonds shall not exceed the total remaining interest cost to maturity on the outstanding Prior Obligations plus the remaining principal amount of the outstanding Prior Obligations, and (ii) the principal amount of the Bonds shall not exceed the amount required to defease the outstanding Prior Obligations, to establish customary debt service reserves, and to pay related costs of issuance, as evidenced by the pertinent debt service schedules attached to such certificate, and (C) all costs of issuance being paid from proceeds constitute related costs of issuance within the meaning of Section 34177.5(a) of the Health and Safety Code and all Costs of Issuance are properly chargeable to the Bonds in accordance with proper governmental accounting principles;

(xx) a tax certificate with respect to maintaining the tax-exempt status of the Bonds, duly executed by the Successor Agency, together with a completed and executed Form 8038-G, for the Bonds;

(xxi) a copy of the executed DTC Representation Letter;

[(xxii) a copy of the 2022 Insurance Policy and the 2022 Reserve Policy;]

[(xxiii) An opinion of counsel to the 2022 Insurer, in form and substance satisfactory to the Underwriter, Bond Counsel and Underwriter’s Counsel, with respect to, among other matters, the 2022 Insurance Policy, the 2022 Reserve Policy and disclosures relating thereto in the Official Statement;]

[(xxiv) A certificate of the 2022 Insurer, in form and substance satisfactory to the Underwriter, Bond Counsel, and Underwriter’s Counsel, with respect to, among other matters, the 2022 Insurance Policy, the 2022 Reserve Policy and disclosures relating thereto in the Official Statement;] and

(xxv) such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing Date of the representations and warranties of the Successor Agency contained in this Bond Purchase Agreement and the due performance or satisfaction by the Successor Agency at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Successor Agency pursuant to this Bond Purchase Agreement.

## 8. *Establishment of Issue Price.*

(a) The Underwriter agrees to assist the Successor Agency in establishing the issue price of the Series 2022A Bonds and shall execute and deliver to the Successor Agency at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Successor Agency and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2022A Bonds.

(b) Except as otherwise set forth in Exhibit A attached hereto, the Successor Agency will treat the first price at which 10% of each maturity of the Series 2022A Bonds (the “**10% test**”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Successor Agency the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2022A Bonds, the Underwriter agrees to promptly report to the Successor Agency the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Series 2022A Bonds of that maturity, provided that the Underwriter’s reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Successor Agency or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2022A Bonds.

(c) The Underwriter confirms that it has offered the Series 2022A Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “**initial offering price**”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Series 2022A Bonds for which the 10% test has not been satisfied and for which the Successor Agency and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Successor Agency to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “**hold-the-offering-price rule**”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2022A Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2022A Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Successor Agency promptly after the close of the fifth (5<sup>th</sup>) business day after the sale date whether it has sold 10% of that maturity of the Series 2022A Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Series 2022A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Series 2022A Bonds of that maturity, provided that the reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2022A Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Series 2022A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2022A Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Series 2022A Bonds of that maturity, provided that the reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Successor Agency acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Series 2022A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2022A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022A Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Series 2022A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2022A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022A Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Successor Agency further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2022A Bonds, including, but not limited

to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022A Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2022A Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Successor Agency (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2022A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2022A Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2022A Bonds to the public),
- (iii) a purchaser of any of the Series 2022A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

9. *Termination.* The Underwriter will have the right to terminate the Underwriter’s obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the Successor Agency of its election to do so if, after the execution hereof and prior to the Closing, any of the following events occurs:

- (a) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by any decision issued by a court of the United States (including the United States Tax Court) or of the State, by any ruling or regulation (final, temporary or proposed) issued by or on behalf of the Department of the Treasury of the United States, the Internal Revenue Service, or other governmental agency of the United States, or any governmental agency of the State, or by a tentative decision or announcement by any member of the House Ways and Means Committee, the Senate Finance Committee, or the Conference Committee with respect to contemplated legislation or by legislation enacted by, pending in, or favorably reported to either the House of Representatives or either House of the Legislature of the State, or formally proposed to the Congress of the United States by the President of the United States or to the Legislature of the State by the

Governor of the State in an executive communication, affecting the tax status of the Successor Agency, its property or income, its bonds (including the Bonds) or the interest thereon or any tax exemption granted or authorized by the Internal Revenue Code of 1986, as amended, with respect to the Series 2021A Bonds;

(b) the United States becomes engaged in hostilities that result in a declaration of war or a national emergency, or any other outbreak of hostilities occurs, or a local, national or international calamity or crisis occurs, financial or otherwise, the effect of such outbreak, calamity or crisis being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds;

(c) there occurs a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by the United States, New York State or State authorities;

(d) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission is issued or made to the effect that the issuance, offering or sale of the Bonds is or would be in violation of any provision of the Securities Act of 1933, as then in effect, or of the Securities Exchange Act of 1934, as then in effect, or of the Trust Indenture Act of 1939, as then in effect;

(e) legislation is enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America is rendered, or a ruling or regulation by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter is made or proposed to the effect that the Bonds are not exempt from registration, qualification or other similar requirements of the Securities Act of 1933, as then in effect, or of the Trust Indenture Act of 1939, as then in effect;

(f) in the reasonable judgment of the Underwriter, the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, might be materially and adversely affected because additional material restrictions not in force as of the date hereof is imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(g) the Comptroller of the Currency, The New York Stock Exchange, or other national securities exchange, or any governmental authority, imposes, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, or financial responsibility requirements of the Underwriter;

(h) a general banking moratorium is established by federal, New York or State authorities;

(i) any legislation, ordinance, rule or regulation is introduced in or be enacted by any governmental body, department or agency in the State or a decision of a court of competent jurisdiction within the State is rendered, which, in the opinion of the Underwriter, after consultation with the Successor Agency, materially adversely affects the market price of the Bonds;



(j) any federal or State court, authority or regulatory body takes action materially and adversely affecting the payment or receipt of the principal and interest on the Bonds;

(k) any withdrawal, downgrading or placement on credit watch negative of any underlying rating of any securities of the Successor Agency [or any rating of the 2022 Insurer] by a national municipal bond rating agency that, in the opinion of the Underwriter, adversely affects the market price of the Bonds;

(l) an event occurs which in the reasonable opinion of the Underwriter makes untrue or misleading in any material respect any statement or information contained in the Official Statement (other than any information relating to the Underwriter); or

(m) any change, which in the reasonable opinion of the Underwriter, materially adversely affects the marketability of the Bonds or, the financial condition of the Successor Agency.

10. *Contingency of Obligations.* The obligations of the Successor Agency hereunder are subject to the performance by the Underwriter of its obligations hereunder.

11. *Duration of Representations, Warranties, Agreements and Covenants.* All representations, warranties, agreements and covenants of the Successor Agency shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter or the Successor Agency and shall survive the Closing Date.

12. *Expenses.* The Successor Agency will pay or cause to be paid all reasonable expenses incident to the performance of its obligations under this Bond Purchase Agreement, including, but not limited to, mailing or delivery of the Bonds, costs of printing the Bonds, printing, distribution and delivery of the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto, the fees and disbursements of Bond Counsel, Disclosure Counsel, and counsel to the Successor Agency, the fees and expenses of the Successor Agency's accountants and fiscal consultants, fees of the Municipal Advisor, any fees charged by investment rating agencies for the rating of the Bonds and fees of the Trustee, and fees and expenses related to the Successor Agency's staff time. In the event this Bond Purchase Agreement shall terminate because of the default of the Underwriter, the Successor Agency will, nevertheless, pay, or cause to be paid, all of the expenses specified above.

The Successor Agency shall reimburse the Underwriter, from proceeds of the Bonds, for any meals or travel expenses of the Successor Agency paid for by the Underwriter, exclusive of entertainment expenses.

The Underwriter shall pay the fees and expenses of any counsel retained by it, all advertising expenses incurred in connection with the public offering of the Bonds, CDIAAC fees, CUSIP fees and all other expenses incurred by it in connection with the public offering and distribution of the Bonds (including out-of-pocket expenses and related regulatory expenses).

13. *Notices.* Any notice or other communication to be given to the Successor Agency under this Bond Purchase Agreement may be given by delivering the same in writing to the Executive Director, Successor Agency to the Hercules Redevelopment Agency, 111 Civic Drive, Hercules, California 94547, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus &

Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104  
Attention: Eileen Gallagher, Managing Director.

14. *Parties in Interest.* This Bond Purchase Agreement is made solely for the benefit of the Successor Agency and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

15. *Governing Law.* This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State applicable to contracts made and performed in California.

16. *Headings.* The headings of the paragraphs of this Bond Purchase Agreement are inserted for convenience of reference only and shall not be deemed to be a part hereof.

17. *Severability.* In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

18. *Effectiveness.* This Bond Purchase Agreement shall become effective upon acceptance hereof by the Successor Agency.

19. *No Prior Agreements.* This Bond Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of Bonds, and any such negotiations, agreements and understandings shall be null and void upon the effectiveness of this Bond Purchase Agreement.

[Signature Page Follows on Next Page]

20. *Counterparts.* This Bond Purchase Agreement may be executed in several counterparts which together shall constitute one and the same instrument.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

By: \_\_\_\_\_  
Authorized Officer

Accepted and agreed to as of  
the date first above written, and the time identified  
below:

SUCCESSOR AGENCY TO THE  
HERCULES REDEVELOPMENT AGENCY

By: \_\_\_\_\_  
Executive Director

Time of Execution: \_\_\_\_\_

## EXHIBIT A

### MATURITY SCHEDULES

#### Series 2022A Bonds

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold-The- Offering- Price Rule</u>
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T: Term Bond.

C: Priced to the first optional redemption date of August 1, 20\_\_, at par.

\* At the time of execution of this Agreement and assuming orders are confirmed immediately after the execution of this Bond Purchase Agreement.

#### Series 2022B Bonds

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
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T: Term Bond.

C: Priced to the first optional redemption date of August 1, 20\_\_, at par.

**REDEMPTION PROVISIONS**

**Optional Redemption.** The 2022A Bonds maturing on or prior to August 1, 20\_\_ are not subject to optional redemption. The 2022A Bonds maturing on or after August 1, 20\_\_, are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after August 1, 20\_\_, by such maturity or maturities as shall be directed by the Successor Agency (or in absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional redemption shall be at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

The 2022B Bonds maturing on or prior to August 1, 20\_\_ are not subject to optional redemption. The 2022B Bonds maturing on or after August 1, 20\_\_, are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after August 1, 20\_\_, by such maturity or maturities as shall be directed by the Successor Agency (or in absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional redemption shall be at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

**Mandatory Sinking Fund Redemption.** The 2022A Bonds maturing August 1, 20\_\_ and August 1, \_\_ (the “2022A Term Bonds”) shall also be subject to mandatory redemption in whole, or in part by lot, on August 1 in each year, commencing August 1, 20\_\_ and August 1, 20\_\_, respectively, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following tables; provided however, that (y) in lieu of redemption thereof such 2022A Term Bonds may be purchased by the Successor Agency, and (z) if some but not all of such 2022A Term Bonds have been optionally redeemed as described above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such 2022A Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee and shall include a revised sinking fund schedule).

**2022A Term Bonds of 20\_\_**

<i>August 1</i>	<i>Principal Amount</i>
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**2022A Term Bonds of 20\_\_**

<i>August 1</i>	<i>Principal Amount</i>
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The 2022B Bonds maturing August 1, 20\_\_ and August 1, \_\_ (the “2022B Term Bonds”) shall also be subject to mandatory redemption in whole, or in part by lot, on August 1 in each year, commencing August 1, 20\_\_ and August 1, 20\_\_, respectively, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following tables; provided however, that (y) in lieu of redemption thereof such 2022B Term Bonds may be purchased by the Successor Agency, and (z) if some but not all of such 2022B Term Bonds have been optionally redeemed as described above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such 2022B Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee and shall include a revised sinking fund schedule).

**2022B Term Bonds of 20\_\_**

<i>August 1</i>	<i>Principal Amount</i>
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**2022B Term Bonds of 20\_\_**

<i>August 1</i>	<i>Principal Amount</i>
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**EXHIBIT B**

**FORM OF DISCLOSURE COUNSEL LETTER**

[To come from Stradling]

## EXHIBIT C

### FORM OF ISSUE PRICE CERTIFICATE

\$[PARA]  
SUCCESSOR AGENCY TO THE  
HERCULES REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2022A

### FORM OF ISSUE PRICE CERTIFICATE

The undersigned, Stifel, Nicolaus & Company, Incorporated (“Stifel”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Bond Purchase Agreement.*** On [Pricing Date] (the “Sale Date”), Stifel and the Issuer executed a Bond Purchase Agreement (the “Purchase Agreement”) in connection with the sale of the Bonds. Stifel has not modified the Purchase Agreement since its execution on the Sale Date.
2. ***Price.***
  - (a) As of the date of this Certificate, for each [Maturity] [[of the General Rule Maturities] of the Bonds, the first price at which at least 10% of each such Maturity of the Bonds was sold to the Public (the “10% Test”) was the respective price for such Maturity listed in **Schedule A** attached hereto.
  - (b) [Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in **Schedule A** (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as **Schedule B**.
  - (c) As set forth in the Bond Purchase Agreement, Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]
  - (d) [\*\* With respect to each of the General Rule Maturities of the Bonds:
    - (1) As of the date of this Certificate, Stifel has not sold at least 10% of the Bonds of these Maturities at any single price.



- (2) As of the date of this Certificate, Stifel reasonably expects that the first sale to the Public of Bonds of these Maturities will be at or below the respective price or prices listed on the attached **Schedule A** as the “Reasonably Expected Sale Prices for Undersold Maturities.”
- (3) Stifel will provide actual sales information (substantially similar to the information contained on **Schedule B**) as to the price at which the first 10% of each such Maturity (i.e., the Undersold Maturity or Maturities) is sold to the Public.
- (4) On the date the 10% Test is satisfied with respect to all Maturities of the Bonds, Stifel will execute a supplemental certificate substantially in the form attached hereto as **Schedule C** with respect to any remaining Maturities for which the 10% Test has not been satisfied as of the Closing Date.\*\*]

## 2. **Defined Terms.**

- (a) “*General Rule Maturities*” means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”
- (b) “*Hold-the-Offering-Price Maturities*” means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”
- (c) “*Holding Period*” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.
- (d) “*Issuer*” means the Successor Agency to the Hercules Redevelopment Agency.
- (e) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (f) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (g) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

- 3. **Arbitrage Yield.** We have calculated the arbitrage yield with respect to the Bonds to be 2.6381% in accordance with the following instructions provided by Bond Counsel; such calculation is

attached in Schedule B. Bond Counsel has advised that yield on the Bonds is the discount rate that, when used in computing the present value as of the issue date of all unconditionally payable payments of principal and interest on the Bonds, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of bonds of the issue as of the issue date. Bond Counsel has advised that the issue price is determined based on the prices of each maturity of the Bonds listed in Schedule A. To the extent that we provided the Issuer and Bond Counsel with certain computations that show a bond yield, issue price, weighted average maturity and certain other information with respect to the Bonds, these computations are based on our understanding of directions that we have received from Bond Counsel regarding interpretation of the applicable law. We express no view regarding the legal sufficiency of any such computations or the correctness of any legal interpretation made by Bond Counsel.

4. ***[Credit Enhancement.***

- (a) *The present value of the amount paid to obtain the Credit Enhancement (as defined in the Tax Certificate) is less than the present value of the interest reasonably expected to be saved as a result of having the Credit Enhancement, using the yield with respect to the Bonds as the discount factor for this purpose.*
- (b) *To the best knowledge of the undersigned, the amount paid by the Issuer to the Insurer (as defined in the Tax Certificate) for the Credit Enhancement is within a reasonable range of premiums charged for comparable credit enhancement for obligations comparable to the Bonds.]*

3.5. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated [Closing Date] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

**STIFEL, NICOLAUS & COMPANY,  
INCORPORATED**

By: \_\_\_\_\_  
Managing Director

By: \_\_\_\_\_  
Director

Dated: [Closing Date]

SCHEDULE A  
TO  
ISSUE PRICE CERTIFICATE

[Schedules to be updated at pricing in the event there are Hold-the-Offering-Price-Maturities]

Actual Sales Information as of Closing Date

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
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[\*\*Reasonably Expected Sales Prices for Undersold Maturities as of Closing Date

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Par Amount</u>	<u>Offering Prices</u>
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[\*\*SCHEDULE B  
TO  
ISSUE PRICE CERTIFICATE

**Actual Sales for Undersold Maturities as of the Closing Date**

<b><u>Maturity/CUSIP</u></b>	<b><u>Date Sold</u></b>	<b><u>Time Sold</u></b>	<b><u>Par Amount</u></b>	<b><u>Sale Price</u></b>
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[\*\*SCHEDULE C  
TO  
ISSUE PRICE CERTIFICATE

**SUPPLEMENTAL ISSUE PRICE CERTIFICATE OF UNDERWRITER**

**\$(PARA]  
SUCCESSOR AGENCY TO THE  
HERCULES REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2022A**

The undersigned, Stifel, Nicolaus & Company, Incorporated (“Stifel”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Issue Price.***

- (a) Stifel sold at least 10% of the \_\_\_\_\_ Maturities of the Bonds to the Public at the price or prices shown on the Issue Price Certificate dated as of the Closing Date (the “10% Test”). With respect to each of the \_\_\_\_\_ Maturities of the Bonds, Stifel had not satisfied the 10% Test as of the Closing Date (the “Undersold Maturities”).
- (b) As of the date of this Supplemental Certificate, Stifel has satisfied the 10% Test with respect to the Undersold Maturities. The first price or prices at which at least 10% of each such Undersold Maturity was sold to the Public are the respective prices listed on **Exhibit A** attached hereto.

2. ***Defined Terms.***

- (a) “*Issuer*” means the Successor Agency to the Hercules Redevelopment Agency.
- (b) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (c) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (d) “*Underwriter*” means (1) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (2) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

- 3. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and

148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated [Closing Date] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

**STIFEL, NICOLAUS & COMPANY,  
INCORPORATED**

By: \_\_\_\_\_  
[Title]

By: \_\_\_\_\_  
[Title]

Dated: