

ESCROW AGREEMENT (____ BONDS)

This ESCROW AGREEMENT (the “Agreement”), dated as of ____ 1, 2022, is by and between the Successor Agency to the Hercules Redevelopment Agency (the “Agency”), as successor to the Hercules Redevelopment Agency (the “Prior Agency”), and The Bank of New York Mellon Trust Company, N.A., a national banking association having a corporate trust office in Los Angeles, California, and being qualified to accept and administer the escrow hereby created (acting in such capacity, the “Escrow Bank”).

WITNESSETH:

WHEREAS, pursuant to an Indenture of Trust dated as of _____ (the “Prior Indenture”), by and between the Prior Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (acting in such capacity, the “Prior Trustee”), the Prior Agency issued its [REFUNDED BOND SERIES] (the “Refunded Bonds”); and

WHEREAS, pursuant to an Indenture of Trust dated as of ____ 1, 2022 (the “Indenture”), by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (acting in such capacity, the “Refunding Bonds Trustee”), the Agency issued its Tax Allocation Refunding Bonds, Series 2022A (the “Refunding Bonds”), for the purpose of providing moneys which, together with certain other amounts held under the Prior Indenture, will be sufficient to pay on ____, 2022 (the “Redemption Date”), the principal of the Refunded Bonds maturing after the Redemption Date at a redemption price equal to the principal amount thereof plus accrued interest thereon to the Redemption Date, without premium (the “Redemption Price”); and

WHEREAS, a portion of the proceeds of the Refunding Bonds shall be set aside in order to provide for the payment of the Refunded Bonds and such proceeds shall be deposited in a special escrow fund to be created hereunder and maintained by the Escrow Bank (the “Escrow Fund”); and

WHEREAS, the Agency has taken action to cause to be delivered to the Escrow Bank, for deposit in the Escrow Fund, proceeds of the Refunding Bonds in an amount which, together with the cash deposits described herein, is intended by the Agency to be sufficient to redeem the Refunded Bonds maturing on and after _____ on the Redemption Date at the Redemption Price;

NOW, THEREFORE, the Agency and the Escrow Bank hereby agree as follows:

Section 1. Establishment, Funding and Maintenance of Escrow Fund. The Escrow Bank agrees to establish and maintain the Escrow Fund until final payment of the Refunded Bonds has been paid in full and to hold the moneys therein at all times as a special and separate escrow fund (wholly segregated from all other moneys on deposit with the Escrow Bank). The Agency hereby instructs the Prior Trustee to transfer \$_____ from the funds and accounts maintained with respect to the Refunded Bonds pursuant to the Prior Indenture to the Escrow Bank for deposit in the Escrow Fund. The Agency hereby instructs the Escrow Bank to deposit \$_____ received from the Agency, representing amounts received from the Redevelopment Property Tax Trust Fund ____, 20__ distribution, into the Escrow Fund. The Agency hereby instructs the Escrow Bank to deposit \$_____ received from the Refunding Bonds Trustee from a portion of the net proceeds of the sale of the Refunding Bonds into the Escrow Fund. The Escrow Bank shall hold all such amounts uninvested in cash.

Section 2. Payment of the Refunded Bonds. The Agency hereby requests and irrevocably instructs the Escrow Bank, and the Escrow Bank hereby agrees, to collect and deposit in the Escrow Fund the amounts deposited pursuant to Section 1 hereof and to transfer all such amounts to the Prior Trustee for the payment of the Refunded Bonds at the places and in the manner stipulated in the Refunded Bonds and in the Prior Indenture. The Prior Trustee hereby confirms that it provided the Notice of Redemption in the form attached hereto as Schedule B on _____, 20____, pursuant to Section 2.04(b)(3) of the Prior Indenture, in accordance with instructions previously delivered by the Agency to the Prior Trustee. The Agency hereby irrevocably instructs the Prior Trustee to (i) provide the Notice of Defeasance in substantially the form set forth in Schedule A hereto, and (ii) file such Notice of Defeasance with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System, maintained on the internet at <http://emma.msrb.org/>. In accordance with Sections 2.03 and 9.03 of the Prior Indenture, the Escrow Bank is irrevocably instructed to redeem the Refunded Bonds maturing on and after [August 1, 2025] on the Redemption Date at the Redemption Price. Upon payment in full of the Refunded Bonds, the Escrow Bank shall transfer any moneys remaining in the Escrow Fund to the Agency and this Agreement shall terminate.

Section 3. Possible Deficiencies; Amounts in Excess of Required Cash Balance.

(a) If at any time the Escrow Bank has actual knowledge that the moneys in the Escrow Fund will not be sufficient to make all payments required by Section 2 hereof, the Escrow Bank shall notify the Agency in writing as soon as is reasonably practicable, of such fact, the amount of such deficiency and the reason therefor solely to the extent actually known to it; provided, however, the Agency shall have no liability under this Agreement for any deficiency and shall not be required by the terms of this Agreement to provide funds to eliminate any such deficiency.

(b) The Escrow Bank shall in no manner be responsible for any deficiency in the Escrow Fund, and nothing herein shall impose or imply any obligation on the part of the Escrow Bank to verify, compute, or otherwise inquire into the sufficiency of the Escrow Fund for the purposes hereof.

Section 4. Fees and Costs.

(a) The Agency shall pay to the Escrow Bank from time to time reasonable compensation for all services rendered under this Agreement and shall reimburse the Escrow Bank for all out of pocket expenses (including reasonable legal fees and expenses) incurred hereunder.

(b) The fees of and the costs incurred by the Escrow Bank shall in no event be deducted or payable from, or constitute a lien against, the Escrow Fund.

Section 5. Merger or Consolidation. Any company into which the Escrow Bank 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 Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under this Agreement, shall be the successor to such Escrow Bank without the execution or filing of any paper or any further act, notwithstanding anything herein to the contrary.

Section 6. Indemnity. To the maximum extent permitted by law, the Agency 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 Bank and its respective successors, assigns, directors, officers, 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 Bank at any time (whether or not also indemnified against the same by the Agency 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, and any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Agreement; provided, however, that the Agency shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct or to indemnify the Escrow Bank's respective successors, assigns, agents and employees for their negligence or willful misconduct or to indemnify for the breach by the Escrow Bank of the terms of this Agreement. In no event shall the Agency or the Escrow Bank be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Agreement. The indemnities contained in this section shall survive the termination of this Agreement and the resignation or removal of the Escrow Bank.

Section 7. Responsibilities of the Escrow Bank. The Escrow Bank and its respective successors, assigns, 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 or obligations by the Escrow Bank 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 Bank 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 Agency and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the amounts deposited into the Escrow Fund to accomplish the defeasance of the Refunded Bonds or to the validity of this Agreement as to the Agency and, except as otherwise provided herein, the Escrow Bank shall incur no liability with respect thereto. The Escrow Bank shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined solely by the express provisions of this Agreement and no implied covenants or obligations shall be read against the Escrow Bank hereunder. The Escrow Bank may consult with counsel, who may or may not be counsel to the Agency, and in reliance upon the written opinion or advice of such counsel shall have full and complete authorization and protection with respect to any action taken, suffered or omitted by it in good faith in accordance therewith. No provisions of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability by the performance or exercise of its rights or powers. Whenever the Escrow Bank 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 authorized officer of the Agency.

The Escrow Bank may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been

signed or presented by the proper party or parties. The Escrow Bank 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.

Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Bank be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Bank has been advised of the likelihood of such loss or damage and regardless of the form of action. The Escrow Bank shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Escrow Bank and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

The Escrow Bank 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 Bank, or another method or system specified by the Escrow Bank as available for use in connection with its services hereunder); provided, however, that the Agency shall provide to the Escrow Bank 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 Agency whenever a person is to be added or deleted from the listing. If the Agency elects to give the Escrow Bank Instructions using Electronic Means and the Escrow Bank in its discretion elects to act upon such Instructions, the Escrow Bank's understanding of such Instructions shall be deemed controlling. The Agency understands and agrees that the Escrow Bank cannot determine the identity of the actual sender of such Instructions and that the Escrow Bank shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Bank have been sent by such Authorized Officer. The Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Bank and that the Agency 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 Agency. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Bank, including without limitation the risk of the Escrow Bank 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 Bank and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Agency; (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 Bank immediately upon learning of any compromise or unauthorized use of the security procedures.

The Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Agency the right to receive brokerage confirmations of

security transactions as they occur, the Agency specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Bank will furnish the Agency periodic cash transaction statements which include detail for all investment transactions made by the Escrow Bank hereunder.

The Escrow Bank shall have no liability or responsibility for any loss resulting from any investment made in accordance with the provisions of this Agreement.

The Escrow Bank shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys deposited with it to pay the principal, interest, or premiums, if any, on the Refunded Bonds.

Section 8. Amendments. This Agreement is made for the benefit of the Agency 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 Bank and the Agency; provided, however, that if the Agency and the Escrow Bank receive an opinion of nationally recognized bond attorneys to the effect that the exclusion from gross income for federal income tax purposes of the interest on the Refunded Bonds and the Bonds will not be adversely affected thereby, they 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 materially adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this 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 Bank 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 Bank; (iii) to include under this Agreement additional funds, securities or properties (but only if the sufficiency of the Escrow Fund for the purpose herein set forth is verified by a nationally recognized firm of independent certified public accountants) and shall hold funds received by it uninvested. The Escrow Bank shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized municipal bond attorneys with respect to compliance with this Section 8, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 8.

Section 9. Application of Certain Terms of the Prior Indenture. All of the terms of the Prior Indenture relating to the making of payments of principal and interest with respect to 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 Article VI of the Prior Indenture relating to the removal, resignation and merger of the Prior Trustee under the Prior Indenture 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 removal, resignation or merger of the Escrow Bank hereunder.

Section 10. Severability. If any section, paragraph, sentence, clause or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Agreement.

Section 11. Execution of Counterparts; Electronic Delivery of Signatures. This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Signatures appearing on any counterpart of this Agreement may be delivered by facsimile transmission or by electronic delivery in PDF format, which transmission or delivery shall be deemed delivery of an originally executed document.

Section 12. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 13. Definitions. Any capitalized term used but not otherwise defined in this Agreement shall have the meaning assigned to such term in the Prior Indenture.

Section 14. Assignment. This Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the Agency provided, however, that an assignment made pursuant to Section 5 hereof shall not require prior written consent.

Section 15. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in which the principal office of the Escrow Bank is located are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement; and no interest shall accrue for the period from and after such nominal date.

Section 16. The Agency covenants and represents that neither it nor any of its affiliates, subsidiaries, directors or officers are the target or subject of any sanctions enforced by the US Government, (including, the Office of Foreign Assets Control of the US Department of the Treasury (“OFAC”)), the United Nations Security Council, the European Union, HM Treasury, or other relevant sanctions authority (collectively “Sanctions”). The Agency covenants and represents that neither it nor any of its affiliates, subsidiaries, directors or officers will use any payments made pursuant to this Agreement, (i) to fund or facilitate any activities of or business with any person who, at the time of such funding or facilitation,, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business with any country or territory that is the target or subject of Sanctions, or (iii) in any other manner that will result in a violation of Sanctions by any person.

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IN WITNESS WHEREOF, the Successor Agency to the Hercules Redevelopment Agency and The Bank of New York Mellon Trust Company, N.A. have caused this Agreement to be executed each on its behalf as of the day and year first above written.

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

By: _____
Authorized Officer

SUCCESSOR AGENCY TO THE HERCULES
REDEVELOPMENT AGENCY

By: _____
Executive Director

SCHEDULE A

**HERCULES REDEVELOPMENT AGENCY
HERCULES MERGED PROJECT AREA
TAX ALLOCATION BONDS
[REFUNDED BOND SERIES]**

<i>Maturity Date</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>CUSIP</i>
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Notice is hereby given to the owners of the above-captioned and listed bonds (collectively, the “Refunded Bonds”) that:

The Successor Agency to the Hercules Redevelopment Agency (the “Agency”) has deposited in an Escrow Fund with The Bank of New York Mellon Trust Company, N.A., as Escrow Bank, certain monies as permitted by that Indenture of Trust dated as of _____ (the “Indenture”), by and between The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) and the Hercules Redevelopment Agency, pursuant to which the Refunded Bonds were issued, for the purpose of defeasing the Refunded Bonds. The moneys deposited with the Escrow Bank will be sufficient to redeem the Refunded Bonds on _____, 2022 at a redemption price equal to the principal amount thereof and accrued interest thereon, without premium (the “Redemption Price”).

The Refunded Bonds are deemed to be paid in accordance with Section 10.01 of the Indenture and all liability of the Agency under the Indenture has ceased and been discharged except as provided in the Indenture. All obligations of the Agency under the Continuing Disclosure Agreement Dated as of _____ with respect to the Refunded Bonds have ceased and terminated.

The Agency and the Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Refunded Bond. They are included for the convenience of the holders.

Dated: _____, 2022

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

SCHEDULE B

CONDITIONAL NOTICE OF REDEMPTION

**HERCULES REDEVELOPMENT AGENCY
HERCULES MERGED PROJECT AREA
TAX ALLOCATION BONDS
[REFUNDED BOND SERIES]**

BASE CUSIP NO. 427101

NOTICE IS HEREBY GIVEN to the owners of the above-captioned [REFUNDED BOND SERIES] that are listed below (the “Bonds”) pursuant to the Indenture of Trust (the “Indenture”), dated as of _____, by and between the Hercules Redevelopment Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), that the Bonds in the aggregate principal amount of \$_____ have been called for redemption on _____, 2022 (the “Redemption Date”).

<i>Maturity Date</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Price</i>	<i>CUSIP Suffix</i>
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The Bonds will be payable on the Redemption Date at a redemption price of 100% of the principal amount plus accrued interest to such date, without premium (the “Redemption Price”). Interest with respect to the Bonds to be redeemed will cease to accrue on and after the Redemption Date, and such Bonds will be surrendered to the Trustee.

All Bonds are required to be surrendered to the corporate office of the Trustee, on the Redemption Date at the following location. If payment is to be made to a person other than the Owner, the Bonds shall be accompanied by a written instrument of transfer duly executed by the Owner thereof or by his attorney duly authorized in writing. If the Bonds are mailed, the use of registered, insured mail is recommended:

First Class/Registered/Certified
The Bank of New York Mellon
Global Corporate Trust
P.O. Box 396
East Syracuse, New York 13057

Express Delivery Only
The Bank of New York Mellon
Global Corporate Trust
111 Sanders Creek Parkway
East Syracuse, New York 13057

By Hand Only
The Bank of New York Mellon
Global Corporate Trust
Corporate Trust Window
101 Barclay Street 1st Floor East
New York, New York 10286

Successor Agency to the Hercules Redevelopment Agency
By: The Bank of New York Mellon Trust Company, N.A.
as Escrow Bank and Trustee
Bondholder Communications: 800-254-2826

If the Owner of any Bond subject to optional redemption fails to deliver such Bond to the Trustee on the Redemption Date, such Bond shall nevertheless be deemed redeemed on the Redemption Date

and the Owner of such Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the Trustee for such payment.

Redemption of the Bonds is conditional upon the receipt by the Trustee on or prior to the Redemption Date of moneys sufficient to pay the principal of and interest with respect to such Bonds to be redeemed and, if such moneys have not been so received, this notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds. Any Bonds delivered for redemption shall be returned to the respective Owners thereof and said Bonds shall remain outstanding as though this conditional notice of redemption had not been given.

A form W-9 must be submitted with the Bonds. Failure to provide a completed form W-9, or certify the proper tax identification number will result in backup withholding under Section 3406 of the Internal Revenue Code of 1986, as amended.

The Successor Agency to the Hercules Redevelopment Agency and the Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included for the convenience of the holders

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

DATED this ____ day of ____, 2022.