

RESOLUTION NO. 17-103

RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION AUTHORIZING THE ISSUANCE OF ITS REFUNDING BONDS; APPROVING A FORM OF FIRST SUPPLEMENTAL INDENTURE, A FORM OF BOND PURCHASE AGREEMENT, AND A FORM OF CONTINUING DISCLOSURE CERTIFICATE; MAKING CERTAIN DETERMINATIONS RELATING THERETO; AND AUTHORIZING CERTAIN OTHER ACTION IN CONNECTION THEREWITH

WHEREAS, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California and referred to herein as the "Law"), the City Council of the City of Commerce (the "City") created the Commerce Community Development Commission (the "RDA");

WHEREAS, the RDA was a redevelopment agency, a public body, corporate and politic duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Law, and the powers of such agency included the power to issue bonds for any of its corporate purposes;

WHEREAS, on July 15, 1974, the City adopted Ordinance No. 212 approving the Redevelopment Plan for Redevelopment Project No. 1 (the "Project Area No. 1"), which was adopted and approved in accordance with the Law;

WHEREAS, the Redevelopment Plan for Project No. 1 contemplated that the RDA would issue indebtedness and bonds to finance and/or refinance a portion of the cost of such redevelopment;

WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session) ("ABX1 26") adopted on June 28, 2011, dissolved all redevelopment agencies and community development agencies in existence in the State of California, as of February 1, 2012, and designated "successor agencies" and "oversight boards" to satisfy "enforceable obligations" of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies;

WHEREAS, the City agreed to serve as the successor agency (referred to herein as the "Agency") to the RDA commencing upon the dissolution of the RDA on February 1, 2012 pursuant to ABX1 26;

WHEREAS, on June 27, 2012 as part of the Fiscal Year 2012-13 State of California budget bill, the Governor signed into law Assembly Bill 1484 ("AB 1484"), which modified or added to some of the provisions of ABX1 26, including provisions related to the refunding of outstanding redevelopment agency bonds and the expenditure of remaining bond proceeds derived from redevelopment agency bonds issued on or before December 31, 2010;

WHEREAS, the Oversight Board is informed by the Agency that it has determined to refund and defease its outstanding Community Development

Commission of the City of Commerce Redevelopment Project No. 1 Tax Allocation Bonds, Series 2007A, originally issued in the amount of \$58,885,000 of which \$36,995,000 is currently outstanding (the "Series 2007A Commission Bonds") which were issued pursuant to an Indenture, dated as of November 1, 1997, as amended by the First Supplement to Indenture, dated as of December 1, 2003 and the Second Supplement to Indenture, dated as of October 1, 2007, each by and between the Former RDA and Wilmington Trust, N.A., as successor in interest to Wells Fargo Bank, National Association (the "2007 Trustee"), which Series 2007A Commission Bonds are subject to optional redemption at any time on or after August 1, 2017;

WHEREAS, the Series 2007A Commission Bonds were issued by the Former RDA for sale to the Authority in connection with the issuance and sale of the Authority's Revenue Bonds, Series 2007A (Community Development Commission of the City of Commerce Redevelopment Project No. 1) (the "Series 2007A Authority Bonds"), pursuant to an Indenture, dated as of October 1, 2007 (the "Authority Indenture"), by and between the Authority and Wilmington Trust, N.A., as successor in interest to Wells Fargo Bank, National Association, as trustee (the "Authority Trustee"), which 2007A Authority Bonds are subject to optional redemption at any time on or after August 1, 2017 at a redemption price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium;

WHEREAS, California Health & Safety Code Section 34177.5 authorizes successor agencies to refund outstanding bonds provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance;

WHEREAS, to the extent authorized by California Health and Safety Code Section 34177.5(a), the Agency desires to undertake the simultaneous refunding of the of the Series 2007A Authority Bonds and the cancellation of the Series 2007A Commission Bonds;

WHEREAS, the Agency has solicited a report of an independent financial advisor entitled Bond Refunding Financing Plan (a copy of which is presented at this meeting) and employed such advisor in developing financing proposals for consideration by the Agency and it is understood that such report, as it may be further revised, may be made available to the Department of Finance at its request;

WHEREAS, the Agency has determined to issue its Successor Agency to the Commerce Community Development Commission, Tax Allocation Refunding Bonds, in one or more series (which may be issued as taxable or tax-exempt obligations based upon the advice of bond counsel) and with such other name and series designation as shall be deemed appropriate (the "Refunding Bonds"), for the purpose of (i) refunding all

or a portion of the Series 2007A Authority Bonds and the cancellation of the Series 2007A Commission Bonds, (ii) paying the costs of issuing the Refunding Bonds, (iii) funding a reserve account and/or providing for a reserve policy or surety for deposit to the reserve account for the Refunding Bonds and (iv) if advisable, paying for the cost of municipal bond insurance and/or a surety to fund the reserve account for the Refunding Bonds in lieu of funding all or a portion of such reserve account with bond proceeds;

WHEREAS, the Refunding Bonds will be issued, payable from amounts on deposit in the Redevelopment Property Tax Trust Fund of the Agency (the "RPTTF") and allocated to the Agency's Redevelopment Obligation Retirement Fund, pursuant to an Indenture of Trust (the "Original Indenture"), as amended and supplemented by a First Supplemental Indenture (the "First Supplemental Indenture" and, together with the Original Indenture, the "Indenture"), each by and between the Agency and Wilmington Trust, N.A., as trustee (the "Agency Trustee");

WHEREAS, following approval of the Oversight Board of the issuance of the Refunding Bonds by the Agency and upon approval by the Department of Finance of such approval by the Oversight Board, the Agency will, with the assistance of bond counsel, disclosure counsel and its financial advisor, cause to be prepared a form of Official Statement describing the Refunding Bonds and containing material information relating to the Refunding Bonds, the preliminary form of which will be submitted to the Agency for approval for distribution by B.C. Ziegler and Company (the "Underwriter") to persons and institutions interested in purchasing the Refunding Bonds; and

WHEREAS, there has been presented at this meeting a form of First Supplemental Indenture, a form of Continuing Disclosure Certificate and a form of Bond Purchase Agreement, each to be executed in connection with the issuance of the Refunding Bonds;

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Approval of Issuance of Refunding Bonds. The issuance of the Refunding Bonds, in order to refinance redevelopment activity of Project No. 1 which is permitted by Health and Safety Code Section 34177.5, is hereby authorized and approved. The Refunding Bonds are authorized to be executed by the manual or facsimile signature of the Mayor of the City, acting for the Agency, and attested by the manual or facsimile signature of the City Clerk, acting for the Agency. The Refunding Bonds, when so executed, are authorized to be delivered to the Agency Trustee for authentication.

Section 2. Approval of First Supplemental Indenture. The form of First Supplemental Indenture, between the Agency and the Trustee (the "First Supplemental Indenture"), presented at this meeting is hereby approved and the Successor Agency Chairperson, the Successor Agency Executive Director, the Finance Director and the Successor Agency Secretary (each an "Authorized Officer," acting for the Agency) are

each acting alone authorized and directed, for and in the name of and on behalf of the Agency, to execute, acknowledge and deliver the First Supplemental Indenture in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The date, maturity date or dates, interest rate or rates, interest payment dates, terms of redemption and other terms of the Refunding Bonds shall be as provided in the First Supplemental Indenture as finally executed.

Section 3. Approval of Continuing Disclosure Certificate. The form of Continuing Disclosure Certificate, between the Agency and Trustee (the "Continuing Disclosure Certificate"), presented at this meeting is hereby approved and any Authorized Officer, acting alone, is authorized and directed, for and in the name of and on behalf of the Agency, to execute, acknowledge and deliver one or more forms of the Continuing Disclosure Certificate in substantially the form presented at this meeting with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Approval of Bond Purchase Agreement. The form of Bond Purchase Agreement, between the Agency and the Underwriter (the "Bond Purchase Agreement"), presented at this meeting is hereby approved and any Authorized Officer acting alone is authorized and directed, for and in the name of and on behalf of the Agency, to execute, acknowledge and deliver one or more forms of the Bond Purchase Agreement in substantially the form presented at this meeting with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the true interest cost of the Refunding Bonds shall not exceed 3.95%, the Underwriter' discount (exclusive of original issue discount) shall not exceed 0.85%, the maturity of the Refunding Bonds date shall not exceed the maximum permitted under the Law, and, as required by Health & Safety Code Section 34177.5, (i) the total interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds shall not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded, and (ii) the principal amount of the Refunding Bonds shall not exceed the amount required to defease and refund the refunded bonds, to establish customary debt service reserves, and to pay related costs of issuance.

Section 5. Bond Insurance and Surety Bond. If an Authorized Officer determines that it will be advantageous to the Agency to purchase municipal bond insurance or a debt service reserve fund surety bond with respect to some or all of the Refunding Bonds, such officer is hereby authorized (a) to purchase such insurance or surety bond on behalf of the Agency at market rates, and (b) to make such changes to the agreements and documents relating to the Refunding Bonds as may be needed to obtain such insurance or surety bond. In connection with any such surety bond, each Authorized Officer is hereby severally authorized and directed to execute and deliver an agreement on behalf of the Agency, in such form as approved by such Authorized Officer, with the provider of such surety bond pursuant to which the Agency would agree

to reimburse such provider for any draws under such surety bond and to pay such provider any other fees and expenses related thereto as such Authorized Officer shall approve, such approval (and the approval by the Authorized Officer of the form of such agreement) to be conclusively evidenced by the execution and delivery of such agreement.

Section 6. Recovery of Costs. The Agency is hereby authorized to recover its costs of issuance with respect to the Refunding Bonds including the cost of reimbursing the City for staff time and costs spent with respect to the Refunding Bonds.

Section 7. Bond Issuance Services. Wilmington Trust, N.A. is hereby appointed as Trustee and Escrow Bank, Orrick, Herrington and Sutcliffe LLP is hereby appointed as Bond Counsel, Stradling Yocca Carlson & Rauth PC is hereby appointed as Disclosure Counsel and Urban Futures, Inc. is hereby appointed as Municipal Advisor and Fiscal Consultant. The Successor Agency Executive Director, acting for the Agency, is authorized to execute contracts for such services and any other related services as may be required to defease and/or refund the bonds.

Section 8. Other Acts. The officers and staff of the Agency are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, including a form or forms of refunding escrow agreement or irrevocable refunding instructions and agreement, which in consultation with Orrick, Herrington & Sutcliffe LLP, the Agency's bond counsel, they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Refunding Bonds, or otherwise effectuate the purposes of this Resolution, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed.

Section 9. Effective Date. This Resolution shall take effect upon adoption.

PASSED, APPROVED and ADOPTED this 19th day of September, 2017.

SUCCESSOR AGENCY TO THE
COMMERCE COMMUNITY
DEVELOPMENT COMMISSION

Oralia Rebollo, Chairperson

ATTEST:

Lena Shumway, Secretary

APPROVED AS TO FORM:

Noel Tapia, Legal Counsel