
FIRST SUPPLEMENTAL INDENTURE

SUCCESSOR AGENCY TO THE
COMMERCE COMMUNITY DEVELOPMENT COMMISSION

TO

WILMINGTON TRUST, N.A.
AS TRUSTEE

Dated as of [AS OF DATE]

relating to

\$XX,000,000

**Successor Agency to the Commerce Community Development Commission
Tax Allocation Refunding Bonds**

Including

\$YY,000,000
Series 2017A (Tax-Exempt)

\$ZZ,000,000
Series 2017B (Federally Taxable)

TABLE OF CONTENTS

	Page
ARTICLE XIII SERIES 2017 BONDS; AMENDMENTS; MISCELLANEOUS	3
SECTION 13.01 Authorization and Terms of Series 2017A Bonds	3
SECTION 13.02 Form of Series 2017 Bonds.....	5
SECTION 13.03 Terms of Redemption of Series 2017A Bonds	5
SECTION 13.04 Application of Proceeds of Series 2017 Bonds.....	5
SECTION 13.05 Amendments to Indenture.....	6
SECTION 13.06 2017 Reserve Policy Payment and Reimbursement Provisions.....	10
[to come]	10
SECTION 13.07 Continuing Disclosure	10
SECTION 13.08 Terms of Series 2017 Bonds Subject to the Indenture.....	10
SECTION 13.09 2017 Reserve Policy Payment and Reimbursement Provisions.....	11
SECTION 13.10 Provisions Relating to Bond Insurance.....	14
SECTION 13.11 Due Authorization.....	21
SECTION 13.12 Execution in Several Counterparts.....	22
SECTION 13.13 Governing Law	22
APPENDIX A Form of Series 2017 Bond A-1	

FIRST SUPPLEMENTAL INDENTURE

THIS FIRST SUPPLEMENTAL INDENTURE (this “First Supplement”) is dated as of [AS OF DATE], by and between the SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION, a public body, corporate and politic, organized and existing under, and by virtue of the laws of the State of California, as successor to the dissolved Commerce Community Development Commission (the “Successor Agency”), and WILMINGTON TRUST, N.A., as successor to Wells Fargo Bank, National Association, a national banking association organized and existing under the laws of the United States and authorized to accept and execute trusts of the character herein set out with a corporate trust office located in Costa Mesa, California, as trustee (the “Trustee”);

WITNESSETH:

WHEREAS, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California), and the acts amendatory thereof and supplemental thereto (the “Redevelopment Law”), the City Council of the City of Commerce (the “City”) created the former Commerce Community Development Commission (the “Former RDA”); and

WHEREAS, the Former 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 Redevelopment Law, and the powers of such agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, the City agreed to serve as the successor agency (referred to herein as the “Successor Agency”) to the Former RDA commencing upon the dissolution of the Former RDA on February 1, 2012 pursuant to Assembly Bill xl 26 (“AB 26”); and

WHEREAS, on June 27, 2012 as part of the Fiscal Year 2012-2013 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 AB 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; and

WHEREAS, 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; and

WHEREAS, the Former RDA has heretofore authorized the issuance of \$58,885,000 Community Development Commission of the City of Commerce Redevelopment Project No. 1 Tax Allocation Bonds, Series 2007A (the “Series 2007A Bonds”), of which \$36,995,000 are currently Outstanding, for the purpose of financing and refinancing portions of the

redevelopment project, which Series 2007A Bonds were issued pursuant to the terms of an Indenture, dated as of November 1, 1997 (the “1997 Indenture”), by and between the Former RDA and U.S. Bank National Association, succeeded in interest by Wells Fargo Bank, National Association, and further succeeded in interest by Wilmington Trust, N.A., as trustee (the “Prior Trustee”), as amended by a First Supplement to Indenture, dated as of December 1, 2003, and by a Second Supplement to the 1997 Indenture, dated as of October 1, 2007, each by and between the Former RDA and the Prior Trustee (collectively the “Prior Indenture”); and

WHEREAS, the City of Commerce Joint Powers Financing Authority (the “Authority”) previously issued its City of Commerce Joint Powers Financing Authority Revenue Bonds, Series 2007A, originally issued in the amount of \$64,805,000 of which \$_____,000 is currently outstanding (the “Series 2007A Authority Bonds”), issued under an Indenture, dated as of October 1, 2007 (the “Authority Indenture”), between the Authority and Wilmington Trust, N.A., as trustee (the “Authority Trustee”); and

WHEREAS, the proceeds of the Series 2007A Authority Bonds were used to purchase all of the Series 2007A Bonds, which Series 2007A Bonds are held by the Authority Trustee in trust pursuant to Section 3.02 of the Authority Indenture, as security for the payment of the principal of and interest on the Series 2007A Authority Bonds; and

[**WHEREAS**, the Successor Agency authorized the issuance of not to exceed \$YY,000,000 aggregate principal amount of its Tax Allocation Refunding Bonds, Series 2017A (Tax-Exempt) (the “Series 2017A Bonds”) for the purpose of refinancing the redevelopment project within the Project Area; and

WHEREAS, the Successor Agency authorized the issuance of not to exceed \$ZZ,000,000 aggregate principal amount of its Tax Allocation Refunding Bonds, Series 2017B (Federally Taxable) (the “Series 2017B Bonds” and, together with the Series 2017A Bonds, the “Series 2017 Bonds”) for the purpose of refinancing the redevelopment project within the Project Area; and]

WHEREAS, the Series 2007A Bonds are sometimes referred to in this First Supplement as the “Refunded Bonds”; and

WHEREAS, the Successor Agency has determined to issue the Series 2017 Bonds pursuant to the Indenture of Trust, dated as of March 1, 2016 (the “Original Indenture”), by and between the Successor Agency and Wilmington Trust, N.A., as trustee (the “Trustee”), as amended by this First Supplement, and as hereinafter supplemented, the “Indenture”; and

WHEREAS, the Indenture provides that the Successor Agency may issue subsequent series of Bonds as Parity Debt from time to time by a Supplemental Indenture, subject to the conditions and limitations contained in the Redevelopment Law, as hereinafter defined, and in Section 4.01 of the Indenture, (collectively, the “Additional Bonds Provisions”); and

WHEREAS, the conditions and limitations contained in the Redevelopment Law and in the Additional Bonds Provisions of the Indenture have been satisfied or will be satisfied at the time of the issuance of the Series 2017 Bonds; and

WHEREAS, the Successor Agency has further determined that the amendments and supplements to the Indenture herein contained are necessary and desirable and can be made pursuant to Section 9.01 of the Indenture without the consent of any Owners but with the consent of the 2016 Bond Insurer, to the extent required; and

WHEREAS, all things necessary to cause the Series 2017 Bonds, when authenticated by the Trustee and issued as in this First Supplement and the Original Indenture provided, to be legal, special obligations of the Successor Agency, enforceable in accordance with their terms, and to constitute this First Supplement and the Original Indenture a valid agreement for the uses and purposes herein set forth in accordance with their terms, have been done and taken, and the creation, execution and delivery of this First Supplement and the creation, execution and issuance of the Series 2017 Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the interest and premium, if any, on, all Bonds at any time issued and outstanding under the Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Series 2017 Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series 2017 Bonds by the owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Successor Agency does hereby covenant and agree with the Trustee, for the benefit of the respective holders from time to time of the Bonds, including the Series 2017 Bonds, as follows:

ARTICLE XIII

SERIES 2017 BONDS; AMENDMENTS; MISCELLANEOUS

SECTION 13.01 Authorization and Terms of Series 2017A Bonds.

(a) A series of Bonds to be issued under the Indenture is hereby created and such Bonds are designated as the “Successor Agency to the Commerce Community Development Commission Tax Allocation Refunding Bonds, Series 2017A (Tax-Exempt)” (herein called the “Series 2017A Bonds”). The aggregate principal amount of Series 2017A Bonds which may be issued and outstanding under this Indenture shall not exceed \$YY,000,000. The Series 2017A Bonds shall be dated _____, 2017 (herein the “Dated Date”), shall bear interest, at the rate and shall mature and become payable on August 1 in the year as to principal in the amount, as set forth below:

<u>Year (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
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(b) A series of Bonds to be issued under the Indenture is hereby created and such Bonds are designated as the “Successor Agency to the Commerce Community Development Commission Tax Allocation Refunding Bonds, Series 2017B (Federally Taxable)” (herein called the “Series 2017B Bonds”). The aggregate principal amount of Series 2017B Bonds which may be issued and outstanding under this Indenture shall not exceed \$ZZ,000,000. The Series 2017B Bonds shall be dated the Dated Date, shall bear interest, at the rate and shall mature and become payable on August 1 in the year as to principal in the amount, as set forth below:

<u>Year (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
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(c) Interest on the Series 2017 Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2017 Bonds shall be issued as fully registered bonds in the denomination of \$5,000, or any integral multiple of \$5,000 (not exceeding the principal amount of the Series 2017 Bonds maturing at any one time). The Series 2017 Bonds shall be numbered as determined by the Trustee. The Series 2017 Bonds shall be initially registered in the name of Cede & Co. as nominee of DTC and shall be book-entry bonds.

Interest on the Series 2017 Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owner at the address of such Owner as it appears on the Registration Books as of the preceding Record Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any Owner of Series 2017 Bonds of the same series in the aggregate amount of \$1,000,000 or more who shall furnish written instructions to the Trustee before the applicable Record Date. Any such written instructions shall remain in effect until rescinded in writing by the Owner. Principal of and premium (if any) on any Series 2017 Bond shall be paid upon presentation and surrender thereof, at maturity or the prior redemption thereof, at the Office of the Trustee and shall be payable in lawful money of the United States of America.

Each Series 2017 Bond shall be dated as of the Closing Date and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before [January 15, 2018], in which event it shall bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Series 2017 Bond, interest thereon is in default, such Series 2017 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

SECTION 13.02 Form of Series 2017 Bonds. The Series 2017 Bonds, the Trustee's certificate of authentication, and the form of assignment to appear thereon shall be in substantially the forms, respectively, attached hereto as Exhibit A with necessary or appropriate variations, omissions and insertions as permitted or required by the Indenture. Only such of the Series 2017 Bond as shall bear thereon a certificate of authentication in the form set forth in Exhibit A manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that such Series 2017 Bond have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 13.03 Terms of Redemption of Series 2017A Bonds.

(a) Optional Redemption of Series 2017A Bonds.

The Series 2017A Bonds due on or before August 1, 202_ shall not be subject to redemption before their respective stated maturities. Series 2017A Bonds maturing on or after August 1, 202_ shall be subject to redemption, as a whole or in part, as designated by the Successor Agency, or, absent such designation, *pro rata* among maturities, and by lot within any one maturity if less than all of the Series 2017A Bonds of a single maturity are to be redeemed, prior to their respective maturity dates, at the option of the Successor Agency, on any date on or after August 1, 202_, from funds derived by the Successor Agency from any source, at the redemption price of the principal amount of Series 2017A Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption.

(b) Mandatory Sinking Fund Redemption.

SECTION 13.04 Application of Proceeds of Series 2017 Bonds.

(a) Upon receipt of payment for the Series 2017A Bonds, the Trustee shall set aside and deposit (i) the net proceeds received from such sale and delivery of the Series 2017A Bonds in the amount of \$_____ (representing the net amount received by the Successor Agency, comprised of the par amount of the Series 2017A Bonds of \$YY,000,000, less original issue discount of \$_____, less Underwriter's discount in the amount of \$_____ and less the amount of \$_____ wired by the Underwriter, on behalf of the Successor Agency, directly to the Series 2017 Bond Insurer to pay (A) a portion of the premium for the 2017 Policy and (B) a portion of the premium for the 2017 Reserve Policy) and (ii) the amount of \$_____ (derived from remaining proceeds of the Refunded Bonds) transferred by the Trustee from the reserve fund established under the indenture providing for the issuance of the Refunded Bonds, in the following respective funds and accounts:

(i) The Trustee shall deposit the amount equal of \$_____ in the 2017A Expense Account in the 2017 Costs of Issuance Fund to pay costs incurred in connection with the issuance of the Series 2017A Bonds.

(ii) The Trustee shall transfer for deposit the amount of \$_____ to the "Revenue Fund" established under the Authority Indenture, as provided under the Irrevocable Refunding Instructions and Agreement (2007A Bonds).

(b) Upon receipt of payment for the Series 2017B Bonds, the Trustee shall set aside and deposit (i) the net proceeds received from such sale and delivery of the Series 2017B Bonds in the amount of \$_____ (representing the net amount received by the Successor Agency, comprised of the par amount of the Series 2017B Bonds of \$ZZ,000,000, less original issue discount of \$_____, less Underwriter's discount in the amount of \$_____ and less the amount of \$_____ wired by the Underwriter, on behalf of the Successor Agency, directly to the Series 2017 Bond Insurer to pay (A) a portion of the premium for the 2017 Policy and (B) a portion of the premium for the 2017 Reserve Policy) and (ii) the amount of \$_____ (derived from remaining proceeds of the Refunded Bonds) transferred by the Trustee from the reserve fund established under the indenture providing for the issuance of the Refunded Bonds, in the following respective funds and accounts:

(i) The Trustee shall deposit the amount equal of \$_____ in the 2017B Expense Account in the 2017 Costs of Issuance Fund, to pay costs incurred in connection with the issuance of the Series 2017B Bonds.

(ii) The Trustee shall transfer for deposit the amount of \$_____ to the "Revenue Fund" established under the Authority Indenture, as provided under the Irrevocable Refunding Instructions and Agreement (2007A Bonds).

(c) There is hereby established a separate fund to be known as the "2017 Costs of Issuance Fund," which shall be held by the Trustee in trust and within such fund the 2017A Expense Account and the 2017B Expense Account. The moneys in the 2017 Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance

upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On or before February 1, 2018, or upon the earlier Written Request of the Successor Agency stating that all known Costs of Issuance have been paid, all amounts, if any, remaining in the 2017 Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account of the Tax Increment Fund to be used to pay interest on the Bonds.

SECTION 13.05 Amendments to Indenture.

(a) The following defined terms are added to, or amend terms contained in, Section 1.01 hereof:

[The term “AGM” means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof, as the issuer of the 2016 Bond Insurance Policy and the 2016 Reserve Policy and the 2017 Policy and the 2017 Reserve Policy (as such terms are defined herein).]

The term “Closing Date” means, with respect to the Series 2017 Bond, the date on which the Series 2017 Bond are delivered by the Successor Agency to the Original Purchaser.

The term “Irrevocable Refunding Instructions” means the Irrevocable Refunding Instructions (Series 2007A Authority Bonds and Related Series 2007A Commission Bonds), dated as _____, 2017, executed by the Successor Agency and agreed and accepted by Wilmington Trust, N.A., as prior trustee, and acknowledged by the Authority.

The term “Original Purchaser” means B.C. Ziegler and Company, as original purchaser of the Series 2017 Bonds.

The term “Reserve Account” means the account by that name established and held by the Trustee pursuant to Section 5.03(d) hereof and, as applicable, the respective sub-accounts which are established for the purpose of securing separate series of Bonds or Parity Debt including, without limitation, the Series 2016 Reserve Subaccount and the Series 2017 Reserve Subaccount.

The term “Reserve Account Requirement” means, as appropriate and as the context requires, the Series 2016 Reserve Requirement, the 2017 Reserve Requirement or any reserve requirement established for a Series of Additional Bonds, and, as applicable, the sum of all applicable reserve requirements then established under the Indenture.

The term “Series 2016 Reserve Requirement” shall mean as of the date of any calculation, with respect to all Outstanding Series 2016 Bonds an amount equal to the lesser of (i) the Maximum Annual Debt Service attributable to the Outstanding Series 2016 Bonds or (ii) 125% of Average Annual Debt Service attributable to the Outstanding Series 2016 Bonds.

The term “Series 2017 Reserve Requirement” shall mean as of the date of any calculation, with respect to all Outstanding Series 2017 Bonds an amount equal to the lesser of (i) the Maximum Annual Debt Service attributable to the Outstanding Series 2017 Bonds or (ii) 125% of Average Annual Debt Service attributable to the Outstanding Series 2017 Bonds.

The term “Series 2016 Reserve Subaccount” means the sub-account of the Reserve Account applicable to the Series 2016 Bonds by that name established and held by the Trustee pursuant to Section 5.03(d) hereof.

The term “Series 2017 Reserve Subaccount” means the sub-account of the Reserve Account applicable to the Series 2017 Bonds by that name established and held by the Trustee pursuant to Section 5.03(d) hereof.

The term “Series 2017 Bond Insurer” with respect to the Series 2017 Bonds is AGM, or any successor thereto or assignee thereof.

The term “2017 Policy” means the insurance policy issued by the Series 2017 Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2017 Bonds when due.

The term “2017 Reserve Policy” means the municipal bond debt service reserve insurance policy issued as Policy Number _____ deposited into the Series 2017 Reserve Subaccount related to the Series 2017 Bonds, issued by AGM.

(b) Section 4.01(b) (i) and (ii) of the Indenture are amended by adding at the end of each the following proviso: ;provided however, that subject to Section 5.03(f) of the Indenture, principal and interest payment dates for the Series 2017 Bonds may include a principal and interest payment date of July 1, 2027.

(c) The last sentence of Section 5.03(c) of the Indenture is amended so that the revised Section reads as follows:

(c) Term Bonds Sinking Account. The Trustee shall deposit in the Term Bonds Sinking Account an amount of money which, together with any money contained therein, is equal to the Sinking Account Installments payable on the Sinking Account Payment Date in such Bond Year. No deposit need be made in the Term Bonds Sinking Account if the amount contained therein is at least equal to the aggregate amount of all Sinking Account Installments required to be made on the Sinking Account Payment Date in such Bond Year. All moneys in the Term Bonds Sinking Account shall be used and withdrawn by the Trustee solely for the purpose of purchasing or redeeming the Term Bonds.

(d) Section 5.03(d) of the Indenture is amended to read as follows:

(d) Reserve Account. The Trustee shall set aside from the Tax Increment Fund and deposit in the separately established subaccounts (as provided below) of the Reserve Account an amount of money (or other authorized deposit of security, as

contemplated by the following paragraphs) equal to the Reserve Account Requirement for such Series of Bonds. All money in (or available to) the subaccounts of the Reserve Account, shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account, the Principal Account and the Sinking Account, in such order of priority, in the event of any deficiency at any time in any of such accounts related to the Series of Bonds for which such respective Reserve Subaccount was established or for the retirement of all the Series of Bonds for which such respective reserve subaccount was established and secured thereby. So long as the Agency is not in default hereunder, any amount in a subaccount of the Reserve Account in excess of the Reserve Account Requirement related to any such Series of Bonds may, upon Written Request of the Successor Agency, be withdrawn from the Reserve Account by the Trustee and transferred to the Agency.

In the event that the amount on deposit in the Reserve Account at any time becomes less than the Reserve Account Requirement, the Trustee shall promptly notify the Agency of such fact. Promptly upon receipt of any such notice, the Agency shall transfer to the Trustee (for deposit in the accounts and subaccounts of the Reserve Account) an amount sufficient to maintain the Reserve Account Requirement on deposit in the Reserve Account. If there shall then not be sufficient Tax Revenues to transfer an amount sufficient to maintain the Reserve Account Requirement on deposit in the Reserve Account (including the accounts and subaccounts therein), the Agency shall be obligated to continue making transfers as Tax Revenues become available in the Tax Increment Fund pro rata among accounts and subaccounts in the Reserve Account until there is an amount sufficient to maintain the Reserve Account Requirement on deposit in the Reserve Account. No such transfer and deposit need be made to the Reserve Account so long as there shall be on deposit therein a sum at least equal to the Reserve Account Requirement.

Within the Reserve Account, the Trustee shall establish and hold separate subaccounts including the Series 2016 Reserve Subaccount (which subaccount has effectively been previously established, and is now referred to as the Series 2016 Reserve Subaccount, and funded with any money and the 2016 Reserve Policy therein) and the Series 2017 Reserve Subaccount. [Within the Series 2017 Reserve Subaccount the Trustee shall account separately for the debt service reserves allocable to the Series 2017A Bonds and the Series 2017B Bonds without the need to establish separate subaccounts for each sub-series.] The term Reserve Account as used in this Section 5.03 shall include equally and respectively each reserve subaccount established for the purpose of securing separate series of Bonds including, without limitation, the Series 2016 Reserve Subaccount and the Series 2017 Reserve Subaccount, and the term Reserve Account Requirement shall include equally and respectively the Series 2016 Reserve Requirement and the Series 2017 Reserve Requirement and any reserve requirement established for the purpose of securing separate series of Bonds hereafter.

The prior written consent of the 2016 Bond Insurer shall be a condition precedent to the deposit of any Qualified Reserve Account Credit Instrument credited to the Reserve Account established for the Series 2016 Bonds (other than the 2016 Reserve Policy) in lieu of a cash deposit into the Reserve Account. Amounts drawn under the

2016 Reserve Policy shall be available only for the payment of scheduled principal and interest on the Series 2016 Bonds when due.

The Trustee shall ascertain the necessity for a claim upon the 2016 Reserve Policy in accordance with the provisions of paragraph (a) of Section 5.05 hereof and to provide notice to the 2016 Bond Insurer in accordance with the terms of the 2016 Reserve Policy at least five Business Days prior to each date upon which interest or principal is due on the Series 2016 Bonds, respectively. Where deposits are required to be made by the Agency with the Trustee to the Interest Account and Principal Account of the Tax Increment Fund for the Series 2016 Bonds, respectively, more often than semi-annually, the Trustee shall be instructed to give notice to the 2016 Bond Insurer of any failure of the Agency to make timely payment in full of such deposits within two Business Days of the date due.

[The prior written consent of the 2017 Bond Insurer shall be a condition precedent to the deposit of any Qualified Reserve Account Credit Instrument credited to the Reserve Account established for the Series 2017 Bonds (other than the 2017 Reserve Policy) in lieu of a cash deposit into the Reserve Account. Amounts drawn under the 2017 Reserve Policy shall be available only for the payment of scheduled principal and interest on the Series 2017 Bonds when due.]

The Trustee shall ascertain the necessity for a claim upon the 2017 Reserve Policy in accordance with the provisions of **paragraph (a) of Section 13.06** hereof and to provide notice to the 2017 Bond Insurer in accordance with the terms of the 2017 Reserve Policy at least five Business Days prior to each date upon which interest or principal is due on the Series 2017 Bonds, respectively. Where deposits are required to be made by the Agency with the Trustee to the Interest Account and Principal Account of the Tax Increment Fund for the Series 2017 Bonds, respectively, more often than semi-annually, the Trustee shall be instructed to give notice to the 2017 Bond Insurer of any failure of the Agency to make timely payment in full of such deposits within two Business Days of the date due.]

Section 5.03 of the Indenture is amended by adding the following subsection (f):

Section 5.03(f). Notwithstanding subparagraphs (a), (b) and (c) of this Section 5.03, principal and interest on Bonds maturing on July 1, 2027 shall not be paid on July 1, 2027, if following such payment there are insufficient funds on deposit in the Interest Account, the Principal Account and the Term Bonds Sinking Account to pay the principal of and interest on Bonds maturing on August 1, 2027. In the event of such a deficiency, Bonds maturing on July 1, 2027 and August 1, 2027 shall have an equal priority claim to Tax Revenues hereunder.

SECTION 13.06 2017 Reserve Policy Payment and Reimbursement Provisions.

[to come]

SECTION 13.07 Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement executed by the Successor Agency in connection with the issuance of the Series 2017 Bonds (the “Continuing Disclosure Agreement”). Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder; *provided, however*, that the Trustee at the written direction of any underwriter or the Owners of at least 25% aggregate principal amount of Series 2017 Bonds, shall (but only to the extent funds in an amount satisfactory to the Trustee have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges and fees of the Trustee whatsoever, including, without limitation, fees and expenses of its attorneys), or any Owner or beneficial owner of the Series 2017 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

SECTION 13.08 Terms of Series 2017 Bonds Subject to the Indenture. Except as in this First Supplement expressly provided, every term and condition contained in the Indenture shall apply to this First Supplement and to the Series 2017 Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this First Supplement.

This First Supplement and all of the terms and provisions herein contained shall form part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Indenture. The Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as heretofore amended and supplemented, and as amended and supplemented hereby.

SECTION 13.09 Provisions Relating to Bond Insurance. The following provisions of this Section shall govern, notwithstanding anything to the contrary set forth in the Indenture:

[to come]

SECTION 13.10 Due Authorization. The Successor Agency has reviewed all proceedings heretofore taken relative to the authorization of the Series 2017 Bonds and has found, as a result of such review, and does hereby find and determine, that the Successor Agency has duly and regularly complied with all applicable provisions of law and is duly authorized by law to issue the Series 2017 Bonds in the manner and upon the terms in the Indenture and this First Supplement provided and that all acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the issuance of the Series 2017 Bonds exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Successor Agency is now duly empowered to issue the Series 2017 Bonds.

SECTION 13.11 Execution in Several Counterparts. This First Supplement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Successor Agency and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 13.12 Governing Law. This First Supplement shall be governed and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION has caused this First Supplement be signed in its name by its Authorized Officer, and WILMINGTON TRUST, N.A., in token of its acceptance of the trusts created hereunder, has caused this First Supplement be signed in its corporate name by its officer thereunto duly authorized, all as of the date and year first above written.

SUCCESSOR AGENCY TO THE
COMMERCE COMMUNITY
DEVELOPMENT COMMISSION

By: _____
_____,
Mayor of the City of Commerce

WILMINGTON TRUST, N.A., as Trustee

By: _____
Authorized Officer

EXHIBIT A

FORM OF SERIES 2017 BOND

No. _____

\$ _____

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA**

**SUCCESSOR AGENCY TO THE
COMMERCE COMMUNITY DEVELOPMENT COMMISSION
TAX ALLOCATION REFUNDING BONDS,
[SERIES 2017A (TAX-EXEMPT) OR 2017B (FEDERALLY TAXABLE)]**

<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
_____ %	August 1, 20__	_____, 2017	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION, a public entity duly existing under the laws of the State of California (the "Successor Agency"), for value received, hereby promises to pay (but only out of the Pledged Tax Revenues and other moneys and securities hereinafter referred to) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above in like lawful money from the date hereof, which date shall be the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date (a "Record Date"), in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to **January 15, 2018**, in which event it shall bear interest from the Original Issue Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually on February 1 and August 1 in each year, commencing **February 1, 2018** (the "Interest Payment Dates"), until payment of such Principal Amount in full. The Principal Amount hereof is payable upon presentation hereof at the principal corporate trust office of Wilmington Trust, N.A., as trustee (the "Trustee"), in Costa Mesa, California or such other location as the trustee may designate. Interest hereon is payable by check of the Trustee mailed by first class mail on each Interest Payment Date to the Registered

Owner hereof at the address of such Registered Owner as it appears on the registration books of the Trustee as of the preceding Record Date; provided that at the written request of the owner of at least \$1,000,000 aggregate principal amount of Bonds, which written request is on file with the Trustee prior to any Record Date, interest on such Bonds shall be paid on the succeeding Interest Payment Date by wire transfer to an account of a financial institution within the United States of America as shall be specified in such written request.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as the “Successor Agency to the Commerce Community Development Commission Tax Allocation Refunding Bonds, Series 2017[]” (the “Bonds”) of an aggregate principal amount of \$__,000,000 all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued pursuant to the provisions of the Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the “Refunding Law”) and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the “Redevelopment Law”), and pursuant to an Indenture of Trust, dated as of March 1, 2016, by and between the Successor Agency and the Trustee, as supplemented by a First Supplemental Indenture, dated as of [AS OF DATE], by and between the Successor Agency and the Trustee (collectively, the “Indenture”). Concurrently with the issuance of the Bonds, the Successor Agency is issuing under the Indenture its “Successor Agency to the Commerce Community Development Commission Tax Allocation Refunding Bonds, Series 2017[]” (the Series 2017[] Bonds” and, together with the Bonds, the “Series 2017 Bonds”) of an aggregate principal amount of \$__,000,000. The Successor Agency may issue or incur additional obligations on a parity with the Series 2017 Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all supplements thereto and to the Refunding Law and the Redevelopment Law for a description of the terms on which the Series 2017 Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the owners of the Series 2017 Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Successor Agency to finance and refinance redevelopment activities of the Successor Agency. This Bond and the interest hereon and all other parity obligations and the interest thereon (to the extent set forth in the Indenture) are payable from, and are secured by a charge and lien on the Tax Revenues derived by the Successor Agency from the Project Area in the City of Commerce (the “Project Area”), a duly designated redevelopment project under the laws of the State of California, under and in accordance with the Indenture. As and to the extent set forth in the Indenture, all of the Tax Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture and the Redevelopment Law, to the payment of the principal of and interest and premium (if any) on the Series 2017 Bonds and any such parity obligations. The Bonds and any such parity obligations are secured by a pledge on, security interest in and lien on the Tax Revenues which is subordinate to or on a parity with the pledge, security interest and lien on the Tax Revenues in favor of certain outstanding obligations of the Successor Agency, as

provided in the Indenture. Notwithstanding the foregoing, certain amounts out of Tax Revenues may be applied for other purposes as provided in the Indenture.

This Bond is not a debt of the City of Commerce, the County of Los Angeles, the State of California, or any of its political subdivisions, other than the Successor Agency, and neither said City, said County, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Bond be payable out of any funds or properties other than the Tax Revenues.

The rights and obligations of the Successor Agency and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentages of the Bond owners required to effect any such modification or amendment.

The Bonds may be called before maturity and redeemed at the option of the Successor Agency, in whole or in part, from the proceeds of refunding bonds or other available funds, as provided in the Indenture.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all outstanding Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said corporate trust office of the Trustee in Costa Mesa, California or such other place as designated by the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Redevelopment Law and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Redevelopment Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION has caused this Bond to be executed in its name and on its behalf with the facsimile signature of the Mayor of the City acting as Chair for the Successor Agency and attested to by the facsimile signature of the City Clerk of the City acting as Secretary for the Successor Agency, all as of the Original Issue Date specified above.

SUCCESSOR AGENCY TO THE
COMMERCE COMMUNITY
DEVELOPMENT COMMISSION

By: _____
Mayor of the City of Commerce, acting as
Chair for the Successor Agency to the
Commerce Community Development
Commission

ATTEST:

By: _____
City Clerk, acting as Secretary for
the Successor Agency to the Commerce
Community Development Commission

STATEMENT OF INSURANCE

[Assured Guaranty Municipal Corp. (“AGM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to Wilmington Trust, N.A., Costa Mesa, California, or its successor, as trustee for the Bonds (the “Trustee”). Said Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from AGM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated: _____ WILMINGTON TRUST, N.A., as Trustee

By: _____

FORM OF ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____

_____ attorney, to transfer the same on the books of the Trustee,
with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.