

DRAFT
08/17/16

\$____,000
PALM VALLEY COMMUNITY FACILITIES DISTRICT NO. 3
(CITY OF GOODYEAR, ARIZONA)
DISTRICT GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016

PURCHASE CONTRACT

_____, 2016

Board of Directors
Palm Valley Community Facilities
District No. 3
(City of Goodyear, Arizona)
c/o City of Goodyear, Arizona
190 North Litchfield Road
Goodyear, Arizona 85338
Attention: District Manager

The undersigned, on behalf of RBC Capital Markets, LLC (the “Underwriter”), offers to enter into the following agreement (this “Contract”) with Palm Valley Community Facilities District No. 3 (City of Goodyear, Arizona) (the “Issuer”), which, upon the Issuer’s written acceptance of such offer, will be binding upon the Issuer and upon the Underwriter. Such offer is made subject to the Issuer’s written acceptance hereof on or before 5:00 p.m., Mountain Standard Time, on the date indicated above, and, if not so accepted, shall be subject to withdrawal by the Underwriter upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Contract shall have the same meanings set forth in the Bond Resolution or the Official Statement (as both are hereinafter defined).

1. Purchase and Sale of the Bonds.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties, covenants and agreements set forth herein, the Underwriter shall

purchase from the Issuer, and the Issuer shall sell and deliver to the Underwriter, all, but not less than all, of the \$____,000 aggregate principal amount of the “Palm Valley Community Facilities District No. 3 (City of Goodyear, Arizona) District General Obligation Refunding Bonds, Series 2016” (the “Bonds”). The Issuer acknowledges that Gust Rosenfeld P.L.C. (“Bond Counsel”) represents the Underwriter in other financing transactions and hereby waives any conflict of interest which may arise from such representations. Inasmuch as this purchase and sale represents a negotiated transaction, it is agreed that (i) the Underwriter is not acting as an agent or fiduciary of the Issuer, but rather is acting solely in its capacity as underwriter for itself and its own account (ii) the transaction contemplated by this Contract is an “arm’s length,” commercial transaction between the Issuer and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (iii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iv) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Contract and (v) the Issuer has consulted its own legal, accounting, tax, and other advisors, as applicable, to the extent it has deemed appropriate.

(b) The principal amount, dated date, maturities, redemption provisions and interest rates per annum and prices or yields with respect to the Bonds are set forth in the Schedule hereto. The Bonds shall be as described in, and shall be issued and payable under and pursuant to the provisions of, the resolution adopted by the Board of Directors of the Issuer on September 12, 2016 (the “Bond Resolution”). The Underwriter has not previously made any final agreement with the Issuer to purchase the Bonds in an offering within the meaning of the Rule (as such term is hereinafter defined).

(c) The purchase price for the Bonds shall be \$_____ (representing the par amount of the Bonds (\$____,000.00) plus [net] original issue premium of \$_____ less Underwriter’s discount of \$_____).

2. Public Sale. The Underwriter intends to make an initial *bona fide* public offering of all of the Bonds at not less than the public offering yields set forth on the Schedule hereto and on the inside front cover page of the Official Statement of the Issuer relating to the Bonds, dated even date herewith and substantially in the form of the hereinafter described Preliminary Official Statement, revised to include the results of the sale of the Bonds (including all appendices thereto, hereinafter referred to as the “Official Statement”) and may subsequently change such offering yields. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at yields higher than the yields set forth on the Schedule hereto and on the inside front cover page of the Official Statement. The Underwriter also reserves the right (i) to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and (ii) to discontinue such stabilizing, if commenced, at any time.

3. The Official Statement.

(a) The Preliminary Official Statement, dated _____, 2016 (the “Preliminary Official Statement”), of the Issuer relating to the Bonds has been prepared for use in connection with the public offering, sale and distribution of the Bonds by the Underwriter. The Preliminary Official Statement is hereby deemed “final” by the Issuer as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”).

(b) The Issuer hereby authorizes the preparation of the Official Statement and the use of the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The Issuer consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The Issuer shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Issuer’s acceptance of this Contract (but, in any event, not later than within seven business days after the Issuer’s acceptance of this Contract and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board (the “MSRB”).

(c) If, after the date of this Contract to and including the date the Underwriter is no longer required to provide the Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the “end of the underwriting period” (as defined in Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the “end of the underwriting period” for the Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer shall notify the Underwriter (and provide the Underwriter with such information as it may from time to time request), and if, in the opinion of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall forthwith prepare and furnish, at the Issuer’s own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement, as so amended and supplemented, shall not contain any 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 under which they were made, not misleading or so that the Official Statement shall comply with law. If such notification shall be subsequent to the Closing Date (as hereinafter defined), the Issuer shall furnish such legal opinions, certificates, instruments and

other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(d) Unless otherwise notified in writing by the Underwriter, the Issuer can assume that the “end of the underwriting period” for purposes of the Rule is the Closing Date.

4. Representations, Warranties, and Covenants of the Issuer. The undersigned, on behalf of the Issuer, hereby represents and warrants to, and the Issuer hereby covenants with, as applicable, the Underwriter that:

(a) The Issuer is a community facilities district of the State of Arizona (the “State”), duly created, organized and existing under the laws of the State, specifically Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended and supplemented (the “Act”), and has full legal right, power and authority under the Act, and at the Closing Date shall have full legal right, power and authority under the Act and the Bond Resolution (i) to adopt, enter into, execute and deliver, as applicable, this Contract, the Bond Resolution, a written undertaking by the Issuer to provide ongoing disclosure about the Issuer for the benefit of certain beneficial owners of the Bonds as required under paragraph (b)(5) of the Rule, in form and substance satisfactory to the Underwriter, which shall be substantially in the form set forth in the Official Statement, with such changes as may be agreed in writing by the Underwriter (the “Undertaking”), a Dissemination Agency Agreement, to be dated as of _____ 1, 2016 (the “Dissemination Agency Agreement”), by and between the Issuer and RBC Capital Markets, LLC, as dissemination agent with respect to the Undertaking, a Depository Trust Agreement, to be dated as of _____ 1, 2016 (the “Depository Trust Agreement”), by and between the Issuer and _____, as depository trustee (the “Trustee”) and a Bond Registrar, Transfer Agent and Paying Agent Contract, to be dated as of _____ 1, 2016 (collectively with this Contract, the Undertaking, the Dissemination Agency Agreement, the Depository Trust Agreement, and all documents required hereunder and thereunder to be executed by the Issuer, the “Issuer Documents”), by and between the Issuer and _____, as bond registrar and transfer and paying agent (the “Agent”); (ii) to sell, issue and deliver the Bonds to the Underwriter as provided herein; (iii) to carry out and consummate the Bond financing transactions contemplated by the Issuer Documents and the Preliminary Official Statement and (iv) to approve, execute and authorize the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement), and the Issuer has complied, and shall on the Closing Date be in compliance in all respects, with the terms of the Act and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all

necessary action to be taken by it for (i) the adoption of the Bond Resolution and the sale and issuance of the Bonds, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Bonds and the Issuer Documents and (iii) the consummation by it of all other transactions contemplated by the Preliminary Official Statement and the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Preliminary Official Statement;

(c) The Bond Resolution (i) authorizes the authorization, execution, delivery and issuance, as applicable, of the Issuer Documents and the Bonds, as well as the approval, execution and authorization of the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement) and the selling of the Bonds to the Underwriter, (ii) has been duly and validly adopted by the Issuer and (iii) is in full force and effect;

(d) The Issuer Documents shall constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Bonds, when issued, delivered and paid for in accordance with the Bond Resolution and this Contract, shall constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Bond Resolution and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights;

(e) The Issuer is not in breach of, or default in any respect under, any applicable constitutional provision, statute or administrative rule or regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing and the execution and delivery of the Bonds and the Issuer Documents and the adoption of the Bond Resolution and compliance with the provisions on the Issuer's part contained therein shall not conflict with, or constitute a breach of or default under, any constitutional provision, statute, administrative rule or regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is, or to which any of its property or assets are, otherwise subject nor shall any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any

nature whatsoever upon any of the property or assets of the Issuer to be pledged to secure the Bonds or under the terms of any such statute, rule or regulation or instrument;

(f) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matters which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents and the Bonds have been duly obtained, except for such approvals, consents and orders as may be required under the “blue sky” or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(g) The Bonds and the Issuer Documents conform to the descriptions thereof contained in the Preliminary Official Statement, and the proceeds of the sale of the Bonds will be applied generally as described in the Preliminary Official Statement;

(h) There is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of ad valorem property taxes from which principal of and interest on the Bonds are to be paid pursuant to the Bond Resolution or in any way contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents, or contesting the exclusion from gross income of interest on the Bonds for federal or State income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or, when finalized, the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and delivery of the Issuer Documents, nor is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially, adversely affect the validity or enforceability of the Bonds, the Bond Resolution or the Issuer Documents;

(i) The Preliminary Official Statement did not and, as of the date hereof, does not contain any 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 the light of the circumstances under which they were made, not misleading;

(j) At the time of the Issuer’s acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (c) of Section 3 of this Contract) at all times subsequent thereto during the period up to

and including the Closing Date, the Official Statement shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(k) If the Official Statement is supplemented or amended pursuant to paragraph (c) of Section 3 of this Contract, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the Closing Date, the Official Statement, as so supplemented or amended, shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(l) The Issuer shall apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Bond Resolution and shall not to take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal or State income tax purposes of the interest on the Bonds;

(m) The Issuer shall furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (i) to (A) qualify the Bonds for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (B) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (ii) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer shall not be required to expend any monies, to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and shall advise the Underwriter immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(n) The financial information regarding the Issuer in the Preliminary Official Statement fairly presents, and in the Official Statement shall fairly present, the financial position and results of the Issuer as of the dates and for the periods therein set forth, and, prior to the Closing, there shall be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer;

(o) The Issuer is not a party to any litigation or other proceeding pending or threatened which, if decided adversely to the Issuer, would have a material adverse effect on the financial condition of the Issuer, and except as disclosed in the Preliminary Official Statement, the Issuer is not a party to any

contract or agreement or subject to any restriction, the performance of or compliance with which may have a material adverse effect on the financial condition, operations or prospects of the Issuer or ability of the Issuer to comply with all the requirements set forth in the Preliminary Official Statement, the Bond Resolution, the Issuer Documents and the Bonds;

(p) Prior to the Closing Date, the Issuer shall not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from the revenues or assets which will secure the Bonds without the prior approval of the Underwriter;

(q) The Issuer has submitted the information required with respect to previous issuances of bonds, securities and lease-purchase agreements of the Issuer pursuant to Section 35-501(B), Arizona Revised Statutes, and will file the information relating to the Bonds required to be submitted pursuant thereto within 60 days of the Closing Date and, except as otherwise indicated in the Official Statement, the Issuer has been during the last five years in material compliance with the terms of all continuing disclosure undertakings executed by the Issuer pursuant to the Rule and

(r) The officers and officials of the Issuer executing the Official Statement, the Issuer Documents and the Bonds and the officers and officials of the Issuer listed on the certificate of the Issuer to be delivered on the Closing Date have been or will have been duly appointed and are or will be qualified to serve as such officers and officials of the Issuer, and any certificate signed by any officer or official of the Issuer authorized to do so in connection with the transactions contemplated by this Contract shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein.

5. Closing.

(a) At 8:00 a.m., Mountain Standard Time, on _____, 2016, or on such other date as shall have been mutually agreed upon by the Issuer and the Underwriter (the "Closing Date"), the Issuer shall, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriter shall, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 of this Contract by a certified or bank cashier's check or checks or wire transfer payable in immediately available funds to the order of the Issuer. Payment for the Bonds as aforesaid shall be made at the offices of Bond Counsel or such other place as shall have been mutually agreed upon by the Issuer and the Underwriter.

(b) Delivery of the Bonds shall be made through the facilities of DTC in New York, New York, or, if by the means of a "Fast Automated Securities Transfer," with the Agent. The Bonds shall be printed or lithographed, shall be prepared and delivered as fully registered bonds, one Bond for the full amount maturing on each maturity date, and shall be

registered in the name of “Cede & Co.” and shall be made available to the Underwriter at least one (1) business day before the Closing Date for purpose of inspection in New York, New York, at DTC.

6. Closing Conditions. The Underwriter has entered into this Contract in reliance upon the representations, warranties, covenants and agreements of the Issuer contained herein and to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and on the Closing Date. Accordingly, the Underwriter’s obligations under this Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments on or prior to the Closing Date and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) The Issuer shall have performed and complied with all covenants and agreements required by this Contract to be performed or complied with by it prior to or on the Closing Date;

(c) On the Closing Date, (i) the Issuer Documents and the Bonds shall be in full force and effect in the form heretofore approved by the Underwriter and shall not have been amended, modified or supplemented and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel and Counsel to the Underwriter to deliver their respective opinions referred to hereinafter;

(d) On the Closing Date, all official action of the Issuer relating to the Issuer Documents and the Bonds shall be in full force and effect and shall not have been amended, modified or supplemented;

(e) Prior to or on the Closing Date, the Bond Resolution shall have been duly adopted, executed and delivered by the Issuer and the Issuer shall have duly executed and delivered, and the Agent shall have duly authenticated, the Bonds;

(f) Prior to or on the Closing Date, no “event of default” shall have occurred or be existing under this Contract nor shall any event have occurred which, with the passage of time or the giving of notice, or both, shall constitute an event of default under this Contract;

(g) Prior to or on the Closing Date, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Issuer from that set forth in the Official Statement that in the judgment of the Underwriter, is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(h) Prior to or on the Closing Date, the Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(i) Prior to or on the Closing Date, all steps to be taken and all instruments and other documents to be executed and all other legal matters in connection with the transactions contemplated by this Contract shall be reasonably satisfactory in legal form and effect to the Underwriter;

(j) Prior to or on the Closing Date, the Underwriter shall have received two copies of the transcript of all proceedings of the Issuer relating to the authorization and issuance of the Bonds, certified, as necessary, by appropriate officials of the Issuer, including, but not limited to, the following documents:

(1) An unqualified approving opinion of Bond Counsel as to the Bonds, dated the Closing Date, addressed to the Issuer and substantially in the form included in the Official Statement;

(2) The supplemental opinion of such counsel, as Bond Counsel and counsel to the Issuer, dated the Closing Date, addressed to the Underwriter and substantially in the form attached hereto as Exhibit A;

(3) An opinion of Greenberg Traurig, LLP, "Counsel to the Underwriter," dated the Closing Date, addressed to the Underwriter and substantially in the form attached hereto as Exhibit B;

(4) A certificate or certificates of the Issuer, dated the Closing Date, signed by an authorized official or officials of the Issuer and in form and substance satisfactory to the Underwriter, in which such official, to the best of his knowledge, information and belief, states:

(i) That the representations and warranties contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;

(ii) That, except as described in the Official Statement, no litigation is pending or threatened before any judicial, quasi-judicial or administrative forum (A) to restrain or enjoin the

issuance or delivery of the Bonds, the application of the proceeds thereof or the performance by the Issuer of the provisions of the Issuer Documents or the collection of the ad valorem property taxes for payment of the Bonds; (B) in any way contesting or affecting the authority for, or the validity of, this Contract or the application of the proceeds of the Bonds or (C) in any way contesting the existence or powers of the Issuer;

(iii) That no authority or proceedings for the issuance of the Bonds has been repealed, revoked or rescinded and no petition or petitions to revoke or alter the authorization to issue the Bonds has been filed with or received by any of the signors;

(iv) That the Issuer has complied with all the agreements and covenants and satisfied all the conditions on its part to be performed or satisfied prior to or on the Closing Date and

(v) That the Official Statement was, as of its date, and is, as of the Closing Date, true, correct and complete in all material respects and did not, as of its date, and does not, as of the Closing Date, include any untrue statement of a material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which such statements were made, not misleading and no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading in any material respect;

(5) A specimen of the Bonds;

(6) A certified copy of the Bond Resolution and executed copies of the Issuer Documents;

(7) A counterpart original of the Official Statement manually executed on behalf of the Issuer by the Chairperson of the Board of Directors of the Issuer;

(8) A non-arbitrage certificate of the Issuer, dated the Closing Date, in form and substance satisfactory to Bond Counsel;

(9) The filing copy of the Information Return Form 8038-G (IRS) and of the Report of Bond and Security Issuance Pursuant To A.R.S. § 35-501B for the Bonds;

(10) Evidence that Standard & Poor's Financial Services LLC has issued a rating of "____" for the Bonds (hereinafter referred to as the "Rating"), and that the Rating is then in effect;

(11) A copy of a special report prepared by Grant Thornton LLP, a firm of independent certified public accountants, addressed to the Issuer, Bond Counsel and the Underwriter, verifying the arithmetical computations of the adequacy of the maturing principal and interest on the obligations and uninvested cash on hand under the Depository Trust Agreement to pay, when due, the principal of and interest on the bonds which have been refunded with proceeds of the sale of the Bonds and the yields on the Bonds and amounts held under the Depository Trust Agreement; and

(12) Such additional opinions, letters, certificates (including certificates as to the accuracy and completeness of those sections of the Official Statement not otherwise covered by an opinion), instruments and other documents as the Underwriter may reasonably deem necessary to satisfy conditions to the issuance of the Bonds required by the Bond Resolution, to evidence the truth and accuracy on the Closing Date, or prior to such date, of the representations and warranties of the Issuer and the due performance or satisfaction by the Issuer of all agreements and covenants then to be performed and all conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter. If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Contract, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Contract, this Contract shall terminate and neither the Underwriter nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriter set forth in Section 8(c) hereof shall continue in full force and effect.

7. Termination. The Underwriter shall have the right to cancel its obligation to purchase the Bonds if, between the date of this Contract and the Closing Date, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the State legislature or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax

Court shall be rendered or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation or State income taxation upon interest received on obligations of the general character of the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or State income tax consequences of any of the transactions contemplated herein;

(b) legislation introduced in or enacted (or resolution passed) by the Congress, an order, decree or injunction issued by any court of competent jurisdiction or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, or that the Bond Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, or that the issuance, offering or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) any state “blue sky” or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange or a general banking moratorium declared by federal, State of New York or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the Bonds or as to 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, the Underwriter;

(f) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Issuer, its property, income securities (or interest thereon), or the validity or enforceability of the levy of ad valorem property taxes to pay principal of and interest on the Bonds;

(g) any event occurring or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) there shall have occurred since the date of this Contract any materially adverse change in the affairs or financial condition of the Issuer;

(i) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise;

(j) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the Issuer's obligations;

(k) any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement;

(l) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; and

(l) the debt ceiling of the United States is such that the obligations required to fund the Depository Trust Agreement are not available for delivery on the date of the delivery of the Bonds, and the Issuer has not, in the opinion of Bond Counsel, successfully obtained equivalent open market securities.

8. Expenses. (a) The Underwriter shall be under no obligation to pay, and the Issuer shall pay or cause to be paid solely from the proceeds of the sale of the Bonds, the expenses incident to the performance of its obligations hereunder, including but not limited to (1) the cost of printing, engraving or typewriting and mailing or delivering the definitive Bonds, the Preliminary Official Statement, the Official Statement and the Issuer Documents in

reasonable quantities and all other documents (other than as set forth in the next succeeding paragraph) prepared in connection with the transactions contemplated hereby; (2) the fees and disbursements of the Agent in connection with the issuance of the Bonds and the initial fees of the Trustee; (3) the fees and disbursements of Bond Counsel; (4) the fees and disbursements of any other experts or consultants retained by the Issuer in connection with the transactions contemplated hereby; (5) the fees and expenses incurred by the Issuer for the Rating and (6) reasonable miscellaneous, normally occurring, “out-of-pocket” expenses including, but not limited to, meals, transportation and lodging, if any, incurred by the Underwriter in connection with the sale and issuance of the Bonds. The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the sale and issuance of the Bonds.

(b) The Underwriter shall pay (1) the cost of preparation and printing of this Contract; (2) all advertising expenses in connection with the public offering of the Bonds; (3) the fees and disbursements of Counsel to the Underwriter and (4) all other expenses incurred by the Underwriter in connection with the public offering of the Bonds.

(c) If this Contract shall be terminated by the Underwriter because of any failure or refusal on the part of the Issuer to comply with the terms or to fulfill any of the conditions of this Contract, or if for any reason the Issuer shall be unable to perform its obligations under this Contract, the Issuer will reimburse the Underwriter for all “out-of-pocket” expenses (including the fees and disbursements of Counsel to the Underwriter) reasonably incurred by the Underwriter in connection with this Contract or the offering contemplated hereunder.

9. (a) Notices. Any notice or other communication to be given to the Issuer under this Contract may be given by delivering the same to the address set forth on the first page of this Contract, and any notice or other communication to be given to the Underwriter pursuant to this Contract may be given by delivering the same in writing to RBC Capital Markets, LLC, Suite 700, 2398 East Camelback Road, Phoenix, Arizona 85016, Attention: Mr. Nicholas J. Dodd, Managing Director.

(b) Parties in Interest. This Contract as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriter (including successors or assigns of the Underwriter), and no other person shall acquire or have any right hereunder or by virtue hereof. This Contract may not be assigned by the Issuer. All of the Issuer’s representations, warranties, covenants and agreements contained in this Contract shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Contract and (iii) any termination of this Contract.

(c) Effectiveness. This Contract shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

(d) Choice of Law. This Contract shall be governed by and construed in accordance with the law of the State.

(e) Severability. If any provision of this Contract shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Contract invalid, inoperative or unenforceable to any extent whatever.

(f) Business Day. For purposes of this Contract, “business day” means any day on which the New York Stock Exchange is open for trading.

(g) Section Headings. Section headings have been inserted in this Contract as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Contract and will not be used in the interpretation of any provisions of this Contract.

(h) Counterparts. This Contract may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

10. Notice Concerning Cancellation of Contracts. As required by the provisions of Section 38-511, Arizona Revised Statutes, as amended, notice is hereby given that the State, its political subdivisions (including the Issuer) or any department or agency of either may, within three (3) years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time. The State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract. This section is not intended to expand or enlarge the rights of the Issuer hereunder except as required by such Section. Each of the parties hereto hereby certifies that it is not presently aware of any violation of such Section which would adversely affect the enforceability of this Contract and covenants that it shall take no action which would result in a violation of such Section.

11. Electronic Signature. The electronic signature of a party to this Contract shall be as valid as an original signature of such party and shall be effective to bind such party to this Contract. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.

[Remainder of page left blank intentionally.]

If you agree with the foregoing, please sign the enclosed counterpart of this Contract and return it to the Underwriter. This Contract shall become a binding agreement between you and the Underwriter when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

RBC CAPITAL MARKETS, LLC

By.....
Nicholas J. Dodd, Managing Director

ACCEPTED atm. Mountain Standard
Time this day of _____, 2016

PALM VALLEY COMMUNITY FACILITIES
DISTRICT NO. 3 (CITY OF GOODYEAR,
ARIZONA)

By.....
Doug Sandstrom, District Treasurer

ATTEST:

.....
Maureen Scott, District Clerk

APPROVED AS TO FORM:

GUST ROSENFELD P.L.C., Bond Counsel
for the District

By.....

SCHEDULE

**PALM VALLEY COMMUNITY FACILITIES DISTRICT NO. 3
(CITY OF GOODYEAR, ARIZONA)
DISTRICT GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016**

Aggregate Principal Amount: \$____,000

Interest Payment Dates: _____ 15, 20__, and January 15 and July 15 thereafter

Maturity Schedule:

<u>Principal Amount</u>	<u>Maturity Date (July 15)</u>	<u>Interest Rate</u>	<u>Yield</u>
\$ ____ ,000	20__	____ %	____ %

*

* Yield calculated to first optional redemption date, July 15, 20__.

Redemption Provisions:

The Bonds maturing on or after July 15, 20__, will be subject to redemption prior to maturity, at the option of the Issuer, on or after July 15, 20__, in whole or in part on any date, at a price equal to the principal amount to be redeemed, plus interest accrued to the date of redemption, without premium.

331784006.1-8/25/2016

EXHIBIT A

[LETTERHEAD OF GUST ROSENFELD P.L.C.]

[Closing Date]

RBC Capital Markets, LLC
Suite 700
2398 East Camelback Road
Phoenix, Arizona 85016

Re: Palm Valley Community Facilities District No. 3 (City of Goodyear, Arizona) District General Obligation Refunding Bonds, Series 2016

WE HAVE ACTED as Bond Counsel to Palm Valley Community Facilities District No. 3 (City of Goodyear, Arizona) (hereinafter referred to as the “Issuer”) in connection with the issuance this date by the Issuer of bonds designated its District General Obligation Refunding Bonds, Series 2016, in the principal amount of \$____,000 (hereinafter referred to as the “Bonds”) and otherwise as counsel to the Issuer. The Bonds (i) are issued under a resolution authorizing issuance of, and certain other matters related to, the Bonds adopted by the Board of Directors of the Issuer on March 28, 2016 (hereinafter referred to as the “Resolution”); (ii) are the subject of an Official Statement, dated _____, 2016 (hereinafter referred to as the “Official Statement”) and (iii) are being sold pursuant to a Purchase Contract, dated _____, 2016 (hereinafter referred to as the “Purchase Contract”), by and between the Issuer and RBC Capital Markets, LLC (hereinafter referred to as the “Underwriter”). (You may rely on our opinion as Bond Counsel, dated of even date herewith, with regard to the Bonds as if addressed to you.)

IN OUR CAPACITY as Bond Counsel, and as counsel as described hereinabove to the Issuer, we have examined and relied upon:

- (i) An executed copy of the Purchase Contract;
- (ii) An executed copy of the Official Statement;
- (iii) A certified copy of the Resolution (which authorized, among other matters, execution and delivery of the Purchase Contract);
- (iv) An executed copy of a Continuing Disclosure Undertaking, dated of even date hereof (hereinafter referred to as the “Undertaking”), from the Issuer;
- (v) An executed copy of a Dissemination Agency Agreement, dated as of _____ 1, 2016 (hereinafter referred to as the “Dissemination

Agency Agreement”), by and between the Issuer and RBC Capital Markets, LLC, as dissemination agent;

- (vi) An executed copy of a Depository Trust Agreement, dated as of _____ 1, 2016 (hereinafter referred to as the “Depository Trust Agreement”), by and between the Issuer and _____, as depository trustee;
- (vii) An executed copy of a Bond Registrar, Transfer Agent and Paying Agent Contract, dated as of _____ 1, 2016 (hereinafter referred to, collectively with the Purchase Contract, the Undertaking, the Dissemination Agency Agreement and the Depository Trust Agreement, as the “Issuer Documents”), by and between the Issuer and _____;
- (viii) Such other agreements, certificates, including particularly, but not by way of limitation, opinions, letters and other documents, including all documents delivered or distributed at the closing of the sale of the Bonds, as we have deemed necessary or appropriate in rendering the opinions set forth herein; and
- (ix) Such provisions of the Constitution and laws of the State of Arizona and the United States of America as we believe necessary to enable us to render the opinions set forth herein.

IN OUR EXAMINATION, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified or photostatic copies, the authenticity of the originals of such latter documents and the accuracy of the statements contained in such certificates. In connection with our representation of the Issuer in the capacities described above, we have also participated in conferences from time to time with representatives of the Issuer and the Underwriter relating to the Official Statement and the Issuer Documents.

WE ARE OF THE OPINION, based upon the foregoing and subject to the qualifications hereinafter set forth, that under applicable law of the State of Arizona and federal law of the United States of America in force and effect on the date hereof:

1. The Issuer is duly organized and validly existing as a community facilities district pursuant to the Constitution and laws of the State of Arizona and has all requisite power and authority thereunder (a) to adopt the Resolution, (b) to authorize, execute, deliver and issue, as applicable, the Issuer Documents, and the Bonds, (c) to approve, execute and authorize the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement, dated _____, 2016 (the “Preliminary Official Statement”), with respect to the Bonds) and (d) to carry out and consummate the transactions contemplated by the Official Statement, the Resolution, the Issuer Documents and the Bonds (including performing the applicable obligations thereunder).

2. Adoption of the Resolution; authorization, execution, delivery and issuance, as applicable, of, and the due performance of the obligations of the Issuer under, the Issuer Documents and the Bonds and the approval, execution and authorization of the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement) by the Issuer under the circumstances contemplated thereby do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any agreement or other instrument to which the Issuer is a party or of any existing law, ordinance, administration regulation, court order or consent decree to which the Issuer is subject.

3. No consent of any other party, and no consent, license, approval or authorization of, exemption by or registration with any governmental body, authority, bureau or agency (other than those that have been obtained or will be obtained prior to the delivery of the Bonds), is required in connection with the adoption by the Issuer of the Resolution or the authorization, execution, delivery, issuance and performance, as applicable, by the Issuer of the Issuer Documents and the Bonds and the consummation of the transactions contemplated by the Official Statement.

4. The Issuer has duly (a) adopted the Resolution, and (b) authorized (i) the authorization, execution, delivery and issuance, as applicable of, and the performance of its obligations under, the Issuer Documents and the Bonds and (ii) the taking of the actions required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by the Official Statement, the Bond Resolution, the Issuer Documents and the Bonds. The Issuer has complied with all applicable provisions of law and has taken all actions required to be taken by it to the date hereof in connection with the transactions contemplated by the aforesaid documents.

5. The Issuer Documents have been duly authorized, executed and delivered by the Issuer and, assuming due and valid authorization, execution and delivery by the other party thereto, constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their terms.

6. Based solely upon a search of the records of the Superior Court in and for the State of Arizona, County of Maricopa and the United States District Court for the District of Arizona through, 2016, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or overtly threatened against or affecting the Issuer, and there is no basis therefor, (i) which in any way questions the powers of the Issuer referred hereinabove or the validity of the proceedings taken by the Issuer in connection with the issuance and sale of the Bonds, (ii) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Official Statement, the Bond Resolution, the Issuer Documents or the Bonds or would in any way adversely

affect the validity or enforceability of the Bond Resolution, the Issuer Documents or the Bonds (or of any other instrument required or contemplated for use in consummating the transactions contemplated thereby or hereby or by the Official Statement) or (iii) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement. Further, there are no lawsuits pending or threatened against the Issuer which question the right of the Issuer to levy, receive and pledge ad valorem property taxes, nor lawsuits pending or overtly threatened against the Issuer which, if decided adversely to the Issuer, would, individually or in the aggregate, have a material adverse effect on the financial condition of the Issuer or impair the ability of the Issuer to comply with all the requirements set forth in the Official Statement, the Bond Resolution, the Issuer Documents or the Bonds.

7. The information contained in the Official Statement in the tax caption on the cover thereof, under the headings “THE DISTRICT,” “THE BONDS,” “PLAN OF REFUNDING,” “SECURITY FOR AND SOURCES OF PAYMENT,” “DISTRICT LITIGATION,” “TAX EXEMPTION,” “ORIGINAL ISSUE DISCOUNT,” “BOND PREMIUM,” “CONTINUING DISCLOSURE” (except as it relates to compliance with prior continuing disclosure undertakings) and “RELATIONSHIPS AMONG PARTIES AND OTHER MATTERS” (as it relates to Bond Counsel only) therein and in APPENDIX B - “FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL” and APPENDIX C – “FORM OF CONTINUING DISCLOSURE UNDERTAKING” insofar as such information purports to summarize certain provisions of federal or state law or of the Bonds, fairly summarizes the information which it purports to summarize.

8. The bonds being refunded with proceeds of the sale of the Bonds have been fully defeased pursuant to applicable law and the documents pursuant to which such bonds were authorized and issued.

9. It is not necessary in connection with the issuance and sale of the Bonds to the public to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Resolution or the Depository Trust Agreement under the Trust Indenture Act of 1939, as amended.

Our opinions expressed in paragraph 5 hereof are qualified to the extent that the enforceability of the Issuer Documents are dependent upon the due authorization, execution and delivery of (and authority to perform lawfully) the Issuer Documents by the other party thereto and to the extent that the enforceability of the Issuer Documents may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights and the exercise of judicial discretion in accordance with general principles of equity, including possible refusal by a particular court to grant certain equitable remedies such as specific performance with respect to the enforcement of any provision of such documents. We express no opinion as to the enforceability of any provisions of the Issuer Documents (i) restricting access to legal or equitable remedies, (ii) purporting to establish evidentiary standards or waiving or otherwise affecting any rights to notice, demand or exhaustion of collateral, (iii) relating to self-help,

subrogation, indemnification, delay or omission to enforce rights or remedies, severability or marshalling of assets or (iv) purporting to grant to the owners of the Bonds or to any party to the Issuer Documents (other than the Issuer) any rights or remedies not specifically set forth therein.

This opinion is furnished by us as bond counsel. No attorney-client relationship has existed or exists between our firm and the addressee in connection with the Bonds or by virtue of this opinion. This opinion is solely for the addressee's benefit and, except as specifically stated herein, is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This opinion speaks only as of its date, and no republication is intended upon the sale, assignment, conveyance or transfer of the Bonds by the initial purchaser.

Respectfully submitted,

EXHIBIT B

[LETTERHEAD OF GREENBERG TRAURIG, LLP]

[Closing Date]

RBC Capital Markets, LLC
Suite 700
2398 East Camelback Road
Phoenix, Arizona 85016

Re: Palm Valley Community Facilities District No. 3 (City of Goodyear, Arizona) District General Obligation Refunding Bonds, Series 2016

This opinion is rendered pursuant to the Purchase Contract, dated _____, 2016, between you and Community Facilities Utilities District No. 1 (City of Goodyear, Arizona) (the "District"). We have acted as counsel for you in connection with the purchase by you of the captioned Bonds (the "Bonds"). As your counsel, we have examined the Official Statement, dated _____, 2016 (the "Official Statement"), relating to the Bonds, the Resolution adopted by the Board of the District on September 12, 2016 (the "Bond Resolution"), the Continuing Disclosure Undertaking, dated the date hereof (the "Continuing Disclosure Undertaking"), the Depository Trust Agreement, dated as of _____ 1, 2016 (the "Depository Trust Agreement"), by and between the District and _____, the Securities Act of 1933, as amended (the "1933 Act"), the Trust Indenture Act of 1939, as amended (the "1939 Act"), the rules, regulations and interpretations under the 1933 Act and the 1939 Act, and Rule 15c2-12 (the "Rule") prescribed under the Securities Exchange Act of 1934, as amended (the "Act"). In addition, we have examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and other documents.

In accordance with our understanding with you, we rendered legal advice and assistance to you in connection with your participation in the preparation of the Official Statement. Based upon our participation in the preparation of the Official Statement as counsel for you and the examination described hereinabove and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement and except as otherwise indicated herein, no information came to the attention of our attorneys assigned to this matter which leads us to believe that the Official Statement as of its date and as of the date hereof, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. We express no views with respect to (i) the financial or statistical data included in the Official Statement, (ii) the information in Appendix D (or any other information about The Depository Trust Company, New York, New York, therein) to the Official Statement or (iii) the status of the Bonds for any

purpose including particularly, but not by way of limitation, for federal or State income tax purposes.

We also have rendered legal advice and assistance to you as to the requirements of the Rule prescribed under the Act, in connection with your review, for purposes of the Rule, of the Continuing Disclosure Undertaking. Based upon our examination of the items referenced in this letter, including the Continuing Disclosure Undertaking and the Rule, and subject to the limitations expressed above, we are of the opinion that, under existing law, the Continuing Disclosure Undertaking satisfies paragraph (b)(5)(i) of the Rule, which requires an undertaking for the benefit of the holders, including beneficial owners, of the Bonds to provide certain annual financial information and event notices at the time and in the manner required by the Rule.

Based upon our examination of the items referenced in this letter, we are further of the opinion that it is not necessary in connection with the sale of the Bonds to the public to register the Bonds under the 1933 Act or to qualify the Bond Resolution or the Depository Trust Agreement under the 1939 Act. For purposes of rendering such opinion, we have relied on the legal conclusions expressed by Gust Rosenfeld P.L.C., as Bond Counsel, as to the validity of the Bonds and the exclusion of interest on the Bonds from the gross income of their owners for federal income tax purposes.

We have not investigated independently the accuracy of any legal conclusions upon which we have relied that are expressed by other counsel; however, our attorneys assigned to this matter are not presently aware of any information that leads us to believe that it would be unreasonable to rely upon those legal conclusions.

References in this letter to “our attorneys assigned to this matter” refer only to those lawyers now with this firm who rendered legal services in connection with our representation of you in this matter.

Our engagement with respect to the matters addressed in this letter is concluded upon the delivery of this letter. The views expressed in this letter are as of, and are based upon the law in effect on, the date of this letter. Those views may be affected by actions taken or omitted or events occurring after the date of this letter, and we assume no obligation to revise or supplement this letter or to determine or to inform any person if such law changes or if any such actions are taken or omitted or any such events occur.

This letter is furnished solely for your benefit in connection with your purchase of the Bonds, and this letter may not, without our prior express consent, be used, circulated, quoted or otherwise referred to (except in lists or sets of closing documents), or be relied upon by any other person or for any other purpose.

Respectfully submitted,