

PVCFD#3 RES 16-050

A RESOLUTION OF THE BOARD OF DIRECTORS OF PALM VALLEY COMMUNITY FACILITIES DISTRICT NO. 3 (CITY OF GOODYEAR, ARIZONA) ADOPTING CONTINUING DISCLOSURE COMPLIANCE PROCEDURES RELATING TO TAX-EXEMPT BONDS FOR THE PALM VALLEY COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA); AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Palm Valley Community Facilities District No. 3 (City of Goodyear, Arizona) (the "District") has issued tax-exempt bonds (the "Bonds"); and

WHEREAS, the District has entered into continuing disclosure undertakings in connection with the Bonds, which require the District to disclose certain financial information; and

WHEREAS, the District desires to adopt written compliance procedures related to the continuing disclosure undertakings;

NOW, THEREFORE, BE IT RESOLVED by the Chair and Board of Directors of the District, as follows:

Section 1. That the Chair and Board of Directors of the District adopt the Continuing Disclosure Compliance Procedures Regarding the Securities and Exchange Commission's Rule 15c2-12 attached hereto as Exhibit A.

Section 2. This resolution shall become effective immediately upon its passage and thereupon and thereafter the same shall be in full force and effect.

PASSED, ADOPTED AND APPROVED by the Chair and Board of Directors of the Palm Valley Community Facilities District No. 3 (City of Goodyear, Arizona), Maricopa County, Arizona, on this 24th day of October, 2016.

District Chair

ATTEST:

District Clerk

APPROVED AS TO FORM:

District Bond Counsel

CERTIFICATION OF RECORDING OFFICER

STATE OF ARIZONA
COUNTY OF MARICOPA

I, the undersigned, _____, being the duly appointed, qualified District Clerk of the Palm Valley Community Facilities District No. 3 (City of Goodyear, Arizona), Maricopa County, Arizona, certify that the foregoing Resolution No. PVCFD#3 RES 16-050, is a true, correct, and accurate copy of Resolution No. PVCFD#3 RES 16-050 passed and adopted at a Regular Meeting of the Board of Directors of Palm Valley Community Facilities District No. 3 (City of Goodyear, Arizona), Maricopa County, Arizona held on the 24th day of October, 2016, at which a quorum was present and, by a _____ vote, _____ voted in favor of said Resolution.

Given under my hand and seal this 24th day of October, 2016.

District Clerk

EXHIBIT A

CONTINUING DISCLOSURE COMPLIANCE PROCEDURES REGARDING THE SECURITIES AND EXCHANGE COMMISSION'S RULE 15C2-12 FOR THE PALM VALLEY COMMUNITY FACILITIES DISTRICT NO. 3 (CITY OF GOODYEAR, ARIZONA)

Date of Implementation: October 24, 2016.

The Palm Valley Community Facilities District No. 3 (City of Goodyear, Arizona) (the "District") is required to file audited financial statements, if any, and certain financial and operating information and operating data required by its continuing disclosure undertakings. Compliance includes ensuring that all of the tables and information required by the continuing disclosure undertakings are filed on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") no later than February 1 of each fiscal year while the District's bonds are outstanding.

The annual February 1st date will be put into a docket/diary/tickler system which is maintained by a minimum of two people so that it will not be overlooked. The implementation of these procedures and the follow-through are extremely important; the District will agree to them in connection with bond issuances and has agreed to them in past continuing disclosure undertakings. When those listed on the docket/diary/tickler system leave the District's employment new names will be added and the incoming employees who will be responsible for the EMMA filings will be briefed so that consistency is maintained.

The Municipal Securities Rulemaking Board maintains a tool that allows the District to schedule automated e-mail reminders for these annual filings through EMMA. The District can add up to three e-mail recipients, so multiple staff members may be included on the alert. Please see the instructions below:

To schedule the alerts, access EMMA at www.emma.msrb.org and click on the EMMA Dataport tab. Click on the "Login" button and enter your login information (User ID and password). From the

Continuing Disclosure tab of the EMMA Dataport Submission Portal, click on "Schedule and manage e-mail reminders for recurring financial disclosures." Click the "Create Reminder" link to access the scheduling form.

Note: Some districts engage auditors or a dissemination agent to actually do the EMMA filings. If such an agreement is in effect, the District is still responsible if the auditor or dissemination agent fails to timely file the required annual statement. Thus, even if the auditor or dissemination agent agrees to make the required filings, the District will follow the February 1 schedule and inquire of the District's auditor or dissemination agent to determine if the February 1 filing deadline will be met. If the deadline may not be met, it is the District's, and not the District's auditors' or dissemination agents', responsibility to file a notice with EMMA indicating that the deadline will not be met and an estimate as to when the audited financial statement and operating data will be filed. In lieu of audited financial statements, unaudited financial statements may be filed until audited financial statements are available.

The District is also required to file notices of "Listed Events" within ten days of such events or occurrence. Please note: not all of the District's existing continuing disclosure undertakings may have the same Listed Events. There can be no guarantee that the regulations concerning Listed Events (Securities and Exchange Commission Rule 15c2-12) will not change and that additional events may be added in the future. You should check with the District's bond counsel at the time future bonds are issued to determine if the Listed Events have been changed and, if the later continuing disclosure undertaking differs from below. The events are listed below (and can also be found in the District's continuing disclosure undertakings):

Reporting of Listed Events (as in the continuing disclosure undertaking).

This section shall govern the giving of notices of the occurrence of any of the following events with respect to the securities.

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service (the "IRS") of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Bondholders, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar events of the District, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action nor the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Notice of a failure of the District to provide required annual financial information on or before the date February 1, including any non-appropriation to cover applicable costs.

Whether events subject to the standard "material" meet that standard shall be determined under applicable federal securities laws.

Below is a short description of how to file notice of occurrence of "Listed Events" with EMMA:

Save the Listed Events notice on your computer. You will also need the information contained in the Listed Events notice, so please print out a copy of the Listed Events notice.

1. Login to EMMA
<http://dataport.emma.msrb.org>
2. Click CREATE Continuing Disclosure Submission
3. Check Event Filing, click Next
4. Check "Type of Event" – In the description box type: "[type of notice]"
5. Check "I don't know my CUSIP -9s" and then use the District's base CUSIP number to find the affected bonds.
6. Check "all issues for issuer", click Next
7. Click upload
8. Update contact information, if necessary
9. Upload the Listed Events notice (must be in PDF, word-searchable format)
10. Click preview
11. Publish the documents to EMMA
12. Print receipt and save in your bond documents for the life of the bonds.

Please note there is only a limited save option on EMMA. Therefore you will not be able to start entering the information, exit and continue later.

Additional note: when filing, EMMA will ask for the District's six digit CUSIP number ("*base CUSIP number*"). The District's base CUSIP number is 696706.