

**TOWN OF PARADISE
RESOLUTION NO. 16-70**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF
PARADISE ADOPTING CONTINUING DISCLOSURE COMPLIANCE
PROCEDURES AND TAKING RELATED ACTIONS**

WHEREAS, the Town of Paradise, a municipal corporation duly formed and existing under the laws of the State of California, or one or more of its related entities (collectively, the “Town”), has issued bonds which are currently outstanding and, in connection with such bonds, has agreed to undertake certain continuing disclosure obligations pursuant to Rule 15c2-12 (“Rule 15c2-12”) promulgated by the U.S. Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934; and

WHEREAS, the Town may issue additional bonds from time to time and, in connection with such bonds, agree to undertake certain continuing disclosure obligations pursuant to the Rule; and

WHEREAS, the Town desires to adopt the Continuing Disclosure Compliance Procedures (the “Procedures”), as set forth in Exhibit A hereto;

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF PARADISE HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Procedures, as set forth in Exhibit A, are hereby approved and adopted, and shall be made applicable to all bonds (or other municipal securities) issued by, or on behalf of the Town and its related entities (such as, but not limited to, the Successor Agency to the Paradise Redevelopment Agency), for which the Town undertakes continuing disclosure obligations in connection with the Rule.

Section 3. The Town Manager, in consultation with bond counsel, is hereby authorized to amend the Procedures from time to time as necessary or appropriate.

Section 4. The Town Manager, the Finance Director and all other officers of the Town are hereby authorized and directed, jointly and severally, to do any and all things to effectuate the purposes of this Resolution, and to implement the Procedures and any such actions previously taken by such officers are hereby ratified and confirmed.

Section 5. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the Town Council of the Town of Paradise this 3rd day of October, 2016, by the following vote:

AYES: Scott Lotter, John J. Rawlings and Jody Jones, Mayor
NOES: None
ABSENT: Greg Bolin and Steve "Woody" Culleton
NOT VOTING: None



Jody Jones, Mayor

ATTEST: *October 4, 2016*



Dina Volenski, CMC, Town Clerk

APPROVED AS TO LEGAL FORM


Dwight L. Moore, Town Attorney

EXHIBIT A

Town of Paradise
Continuing Disclosure Compliance Procedures
(attached)

CONTINUING DISCLOSURE COMPLIANCE PROCEDURES

1. BACKGROUND

Rule 15c2-12 (“Rule 15c2-12”) promulgated by the U.S. Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934 requires certain information regarding an entity responsible for the repayment of bonds or other municipal securities (an “Issuer”) be disclosed to the municipal bond marketplace. The SEC, in its most recent amendment to Rule 15c2-12, enhanced the disclosure requirements of Issuers in an effort to improve the quality and availability of information regarding outstanding municipal securities. In the adopting release accompanying the amendment, S.E.C. Rel. No. 34-62184, the SEC states that the amendment is consistent with its “mandate to adopt rules reasonably designed to prevent fraudulent, deceptive or manipulative acts or practices in the market for municipal securities.” The release reiterates the SEC’s position that material non-compliance by an Issuer with past continuing disclosure obligations may warrant, without corrective actions, an underwriter being prohibited from underwriting such an Issuer’s municipal securities, and thus would prevent the Issuer from accessing the municipal securities market.

The following procedures are being adopted by the Town of Paradise (the “Town”) to help ensure the Town’s compliance with Rule 15c2-12 and its continuing disclosure obligations under the continuing disclosure agreements, or similar instruments (collectively, the “Continuing Disclosure Agreements”) executed by the Town in connection with its municipal securities obligations. Certain capitalized terms will have the respective meanings ascribed to them in the respective Continuing Disclosure Agreements.

2. DESIGNATION OF RESPONSIBLE OFFICER

As used herein, the term “Responsible Officer” shall mean the officer or other employee of the Town responsible for compiling and filing Annual Reports and notices regarding enumerated events (“Event Notices”), if required, to be filed pursuant to the Continuing Disclosure Agreements. The initial Responsible Officer shall be the Town’s Finance Director. From time to time, the Town Manager may (or at the direction of the Town Council, shall) designate a different person to serve as the Responsible Officer.

3. RESPONSIBLE OFFICER TO BECOME FAMILIAR WITH “EMMA” AND FILING REQUIREMENTS UNDER CONTINUING DISCLOSURE AGREEMENTS

(a) The Responsible Officer shall take such action as necessary or appropriate to become familiar with the SEC’s Electronic Municipal Market Access (“EMMA”) website. The Responsible Officer should understand how to locate on EMMA the filings made by the Town in connection with the municipal securities issued by the Town. If the Town is serving as its own Dissemination Agent pursuant to a Continuing Disclosure Agreement, the Responsible Officer shall establish a user identification and password for EMMA and should become familiar with uploading documents onto EMMA.

(b) The Responsible Officer shall, for each separate issue of the Town's outstanding municipal securities to which Rule 15c2-12 applies, read the related Continuing Disclosure Agreement and identify the following:

- (i) The date by which the Annual Report must be filed;
- (ii) The contents needed to be included in the Annual Report;
- (iii) The Event Notices that must be filed; and
- (iv) When Event Notices are required to be filed.

(c) The Responsible Officer should be aware of the types of events identified in the Continuing Disclosure Agreement that would require the filing of an Event Notice (the "Listed Events"). If clarification is required regarding what is meant by a Listed Event, the Town's bond counsel or disclosure counsel should be contacted to seek such clarification.

4. PREPARATION AND FILING OF ANNUAL REPORTS AND EVENT NOTICES

(a) The Town will strive to begin the process of completing its audited financial statements as soon as practicable after the close of each Fiscal Year. Such audited financial statements should be completed in time to be submitted to the Governing Board before the date that the Annual Report must be filed.

(b) The Responsible Officer shall identify any information that is required to be included in the Annual Report but is not part of the Town's audited financial statements, and contact the sources necessary to compile such information as soon as possible after the close of each Fiscal Year. To the extent the Responsible Officer deems appropriate, the Town will consider adding any information required by its Continuing Disclosure Agreements not already included in its audited financial statements into a supplementary information section of its audited financial statements.

(c) Following the compilation of the information that is to be included in the Annual Report, the Responsible Officer shall, or cause the Dissemination Agent to, submit the Annual Report to EMMA on or before the date on which the Annual Report must be filed.

(d) Each year, by no later than the date that the Annual Report is required to be filed on EMMA, the Responsible Officer shall review the EMMA website to confirm that the Annual Report has been posted. If the Annual Report has not been posted, the Dissemination Agent should be notified, or the Responsible Officer should file the Annual Report, as applicable.

(e) The Responsible Officer shall, or with the assistance of consultants engaged to monitor compliance, identify the occurrence of a Listed Event and shall prepare, or have prepared, the appropriate disclosure. The Responsible Officer shall file, or cause the Dissemination Agent to file, Event Notices, when required by the

Continuing Disclosure Agreements on EMMA in a timely manner. The Responsible Officer shall contact the Town's bond counsel or disclosure counsel if there are any questions regarding whether an event constitutes a Listed Event, and whether such occurrence will require the filing of an Event Notice.

5. RETENTION OF RECORDS

(a) As relating to each Continuing Disclosure Agreement, the retained documents identified below should be retained for a period of at least six years following the termination of the Town's obligations under such Continuing Disclosure Agreement (*i.e.*, the legal defeasance, prior redemption or payment in full of the related issue of municipal securities).

(b) The Town shall retain, in its records, the transcripts containing the documents related to each issue of municipal securities of the Town.

(c) The Town shall retain copies, in paper or electronic form, of each Listed Event Notice submitted to EMMA.

(d) The Town shall retain copies, in paper or electronic form, of each Annual Report submitted to EMMA.

(e) To the extent that the content of an Annual Report is based on source materials created or obtained by the Town, the Town shall retain in its records, such source materials created or obtained by the Town.