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RESOLUTION NO. 22-1497

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, DECLARING, FOR PURPOSES OF SECTION 1.150-2 OF THE FEDERAL TREASURY REGULATIONS, OFFICIAL INTENT TO BE REIMBURSED IN CONNECTION WITH CERTAIN CAPITAL EXPENDITURES

WHEREAS, the City of Douglas, Arizona (the “City”) is authorized and empowered pursuant to law to issue or cause to be issued obligations to finance the costs of various capital facilities owned or to be owned by the City; and

WHEREAS, it is contemplated that certain expenditures made by the City with regard to capital facilities owned or to be owned by the City with regard to a New Water Well #18 and associated equipment (the “Project”) will be reimbursed from the proceeds of the sale of obligations to be issued in the future by or on behalf of the City;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Douglas, Arizona as follows:

Section 1. Definitions. The following terms shall have the meanings assigned thereto as follows:

“official intent” means a declaration of intent of the City to reimburse an original expenditure with proceeds of an obligation.

“original expenditure” means an expenditure for a governmental purpose that is originally paid from a source other than a reimbursement bond.

“reimbursement bond” means the portion of an issue of obligations allocated to reimburse an original expenditure that was paid before the issue date of such issue.

Section 2. Official Intent. This Resolution is official intent relating to reimbursement for the original expenditures for the Project in an amount not to exceed \$2,100,000.00 occurring on or after May 11, 2022, which are capital expenditures (being any cost of a type that is properly chargeable to a capital account (or would be so chargeable with a proper election) under general federal income tax principles). (The maximum principal amount of obligations (including the reimbursement bonds for such purposes) to be issued for the Project will not exceed \$2,100,000.00.

Section 3. Reasonableness of Official Intent. On the date of this Resolution, the Mayor and Council of the City has a reasonable expectation (being that a prudent person in the same circumstances would have based on all the objective facts and circumstances) that it will reimburse such original expenditures with proceeds of such obligations. Official intents have not been declared by the City as a matter of course or in amounts substantially in excess of the amounts expected to be necessary for such projects. Moreover, the City does not have a pattern (other than in extraordinary circumstances) of failure to reimburse actual original expenditures covered by official intents.

Section 4. Reimbursement Period. With certain exceptions, an allocation in writing that evidence use of proceeds of the reimbursement bonds to reimburse the original expenditures shall be made not later than 18 months after the later of the date that the original expenditure is paid.

Section 5. Public Record. This Resolution shall be included as of the date hereof in the publicly available official records of the City, such records being maintained and supervised by the Clerk of the City, being the main administrative office of the City, and shall remain available for public inspection on a reasonable basis.

1 **PASSED AND ADOPTED** by the Mayor and Council of the City of Douglas, Arizona, this 11th day of
2 May 2022.

3 _____
Donald C. Huish, Mayor

4 Attest:

Approved as to form:

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6 _____
Alma Andrade, City Clerk

7 _____
Denis Fitzgibbons, City Attorney

8 Prepared by:
Luis Pedroza, Deputy City Manager.

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