

Summary - a resolution regarding the intention to issue tax-exempt obligations and to reimburse the City from proceeds of such obligations for costs incurred prior to issuance.

RESOLUTION NO. 24-03

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FALLON REGARDING ITS INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS AND TO REIMBURSE THE CITY FROM PROCEEDS OF SUCH OBLIGATIONS FOR COSTS INCURRED PRIOR TO ISSUANCE.

WHEREAS, the City Council of the City of Fallon (the “Issuer”) desires to finance the costs of acquiring certain public facilities and improvements, as provided in Appendix A attached hereto and incorporated herein (the “Project”);

WHEREAS, the Issuer intends to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the “Obligations”); and

WHEREAS, prior to the issuance of the Obligations, the Issuer desires to incur certain expenditures with respect to the Project from available monies of the Issuer which expenditures are desired to be reimbursed by the Issuer from a portion of the proceeds of the sale of the Obligations.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FALLON, NEVADA:

Section 1. The Issuer hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. Appendix A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

Section 2. The reasonably expected maximum principal amount of the Obligations is \$10,000,000 with respect to the public projects described in Appendix A hereto.

Section 3. This resolution is being adopted on or prior to the date (the “Expenditures Date or Dates”) that the Issuer will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

Section 4. Except as described below, the expected date of issue of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the original expenditure is paid. For Obligations subject to the small issuer exception of Section 148(f)(4)(D) of the Internal Revenue Code, the “eighteen-month limit” of the previous sentence is changed to “three years” and the limitation of the previous sentence beginning with “; provided, . . .” is not applicable.

Section 5. Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used within one year of reimbursement, directly or indirectly to pay debt service

with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the Issuer (other than the Obligations)) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Issuer or any entity related in any manner to the Issuer, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

Section 6. This resolution is consistent with the budgetary and financial circumstances of the Issuer, as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the Issuer (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this City Council is not aware of the previous adoption of official intents by the Issuer that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

Section 7. The limitations described in Section 3 and Section 4 do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

Section 8. This resolution is adopted as official action of the Issuer in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Issuer expenditures incurred prior to the date of issue of the Obligations, is part of the Issuer's official proceedings, and will be available for inspection by the general public at the main administrative office of the Issuer.

Section 9. All the recitals in this Resolution are true and correct and this City Council so finds, determines and represents.

**PASSED AND ADOPTED AND APPROVED BY AN AFFIRMATIVE VOTE
OF A MAJORITY OF THE MEMBERS OF THE CITY COUNCIL OF THE CITY OF
FALLON, NEVADA, THIS FEBRUARY 20, 2024.**

(SEAL)

Mayor

Attest:

City Clerk

Approved as to Form:

By: _____
City Attorney

APPENDIX A

DESCRIPTION OF PROJECT

Financing all or a portion of the cost of water projects, sewer projects, airport projects, street improvements, park improvements, and City Hall upgrades

STATE OF NEVADA)
) ss.
COUNTY OF CHURCHILL)

I, Sean Richardson, the duly chosen and qualified City Clerk of the City of Fallon (the “City”), in the State of Nevada, do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of a resolution adopted by the City Council of the City (the “Council”) at a meeting held on February 20, 2024.

2. The adoption of the resolution was duly moved and seconded and the resolution was adopted by an affirmative vote of a majority of the members of Council as follows:

Those Voting Aye:

Those Voting Nay:

Those Absent:

3. The members of the Council voted on the final passage of the ordinance as set forth following the resolution.

4. All members of the Council were given due and proper notice of the meeting held on February 20, 2024.

5. Public notice of such meeting was given and such meeting was held and conducted in full compliance with the provisions of NRS 241.020.

6. Prior to 9:00 a.m. at least 3 working days before such meeting, such notice was mailed to each person, if any, who has requested notices of meetings of the Council in compliance with NRS 241.020(3)(b) by United States Mail, or if feasible and agreed to by the requestor, by electronic mail.

6. A copy of such notice so given of the meeting of the Council on February 20, 2024 is attached to this certificate as Exhibit “A.”

IN WITNESS WHEREOF, I have hereunto set my hand on this February 20, 2024.

(SEAL)

City Clerk/Treasurer

EXHIBIT “A”

(Attach Copy of Notice of Meeting)