

Exhibit 1

EXPENDITURE PLAN

All proceeds of the tax levied and imposed hereunder shall be accounted for and paid into a special fund designated for use by the Town of Truckee only to build and maintain paved and dirt trails or protect open space along trail corridors. Trail construction includes planning, design, right-of-way acquisition, environmental review, permitting, and other ancillary tasks and items as necessary to allow for the construction of paved or dirt trails and associated appurtenances. Trail maintenance includes pavement sealing and overlays; drainage repair and erosion control; sweeping and litter removal; vegetation maintenance; trash removal; snow removal and other winter maintenance to provide for on-snow recreational activity; repairs or replacement of fences, bridges, signs, bike racks, sanitation facilities, and other appurtenances; and such other treatments as are necessary to provide for ongoing public use of trails as determined by the Truckee Town Council.

Eligible construction and maintenance expenses include payment to construction contractors; payment to trails planning, design and environmental professionals; purchases of equipment, material, and supplies; reimbursement of direct Town staff expenses; expenses associated with land acquisition necessary for trail construction; and other ancillary expenses related to the design, environmental clearance, permitting, construction or maintenance of paved or dirt trails and appurtenances as determined by the Truckee Town Council. Acquisition of open space directly related to trail corridors or immediately adjacent to trail corridors is an eligible expense.

The Town is hereby authorized to incur indebtedness in the form of bonds, notes, contractual obligations or other evidences of indebtedness authorized by law to finance or refinance costs for trails and to pay any and all costs of issuing or incurring such indebtedness, to fund reserve funds, capitalized interest, costs of credit enhancement, costs of interest rate hedging arrangements or any other financing costs associated with such indebtedness. Such indebtedness shall be solely payable from, and may be secured by a pledge and lien on, the proceeds of the tax levied and imposed hereunder.

Town staff shall provide recommendations to the Town Council regarding the use of funds.