

RESOLUTION NO. 3359

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF PAYSON, 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 RELATING TO PUBLIC SAFETY FACILITIES, STREETS, DRAINAGE, PARKS AND RECREATION FACILITIES AND RELATED CAPITAL IMPROVEMENT PROJECTS

WHEREAS, the Town of Payson, Arizona (the "Town") 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 Town; and

WHEREAS, it is contemplated that certain expenditures made by the Town with regard to capital facilities owned or to be owned by the Town with regard to construction of and improvements to: (1) public safety facilities, including, without limitation, improvements to existing fire and police facilities in connection with deferred maintenance projects, (2) streets, including, without limitation, the repair or replacement of existing Town streets as well as the construction, acquisition and improvement of new Town streets, (3) drainage, including, without limitation, projects related to Rumsey Park and American Gulch, (4) parks and recreation facilities, including, without limitation, the Town event center and a Town aquatic and recreation center, and (5) additional capital improvement projects pertaining to the foregoing (collectively, 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 Town;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF PAYSON, 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 Town 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; and

"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 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) made within sixty (60) days before

and any time after the date of this Resolution. The maximum principal amount of obligations (including the reimbursement bonds for such purposes) to be issued for the Project is expected not to exceed \$50,000,000.

Section 3. Reasonableness of Official Intent. On the date of this Resolution, the Mayor and Council of the Town have a reasonable expectation (being that a prudent person in the same circumstances would have based on all the objective facts and circumstances) that the Town will reimburse such original expenditures with proceeds of such obligations. Official intents have not been declared by the Town as a matter of course or in amounts substantially in excess of the amounts expected to be necessary for such projects. Moreover, the Town 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 evidences use of proceeds of the reimbursement bonds to reimburse the original expenditures shall be made not later than 18 months after the later of (i) the date that the original expenditure is paid, or (ii) the date the project is placed in service or abandoned, but in no event more than 3 years after 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 Town, such records being maintained and supervised by the Town Clerk, being the main administrative office of the Town, and shall remain available for public inspection on a reasonable basis.

PASSED AND ADOPTED by the Council and approved by the Mayor of the Town of Payson, Arizona, this 27th day of September 2023.

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Chris Higgins, Mayor

ATTEST:

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Tracie Bailey, Town Clerk

APPROVED AS TO FORM:

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Pierce Coleman, PLLC, Town Attorney

