

**AGENDA**  
**CITY OF FALLON – CITY COUNCIL**  
**55 West Williams Avenue**  
**Fallon, Nevada**  
**July 20, 2020 – 9:00 a.m.**

The Honorable City Council will meet in a regularly scheduled meeting on July 20, 2020 at 9:00 a.m. in the City Council Chambers, 55 West Williams Avenue, Fallon, Nevada.

Items on the agenda may be taken out of order. The Council may combine two or more agenda items for consideration. The Council may remove an item from the agenda or delay discussion relating to an item on the agenda at any time. Unless otherwise allowed by the City Council, public comments by an individual will be limited to three minutes.

1. Pledge of Allegiance to the Flag.
2. Certification of Compliance with Posting Requirements.
3. Public Comments: General in nature, not relative to any agenda items.  
No action may be taken on a matter raised under this item until the matter has been specifically included on an agenda as an item upon which action will be taken. **(For discussion only)**
4. Approval of Warrants: **(For possible action)**
  - A) Accounts Payable
  - B) Payroll
  - C) Customer Deposit
5. Consideration and possible approval and adoption of Resolution No. 20-07: A resolution of the City Council of Fallon, Nevada providing for the transfer of the City's 2020 private activity bond volume cap to the Nevada Rural Housing Authority, and other matters properly related thereto. **(For possible action)**
6. Consideration and possible approval of an application by Maverik, Inc. to vacate a 15' wide Power and Utility Easement on property owned by Maverik, Inc. located at 870 West Williams Avenue, Fallon, Nevada. **(For possible action)**
7. Introduction of Bill No. 784: An Ordinance Designated by the Short Title "2020 Electric Revenue Refunding Bond Ordinance"; Providing for the Issuance by City of Fallon, Nevada of its Electric System Revenue Refunding Bond, Series 2020; Providing the Form, Terms and Conditions of the Bond, the Use of its Proceeds and Providing for the Sale Thereof; Securing its Payment by a Pledge of Revenues Derived from the Electric System of the City; Ratifying Action Previously Taken Toward the Issuance of the Bond; Providing

for Adoption as if an Emergency Exists, and Providing Other Matters Relating Thereto. **(For possible introduction)**

8. Public Hearing of Bill No. 784: An Ordinance Designated by the Short Title "2020 Electric Revenue Refunding Bond Ordinance"; Providing for the Issuance by City of Fallon, Nevada of its Electric System Revenue Refunding Bond, Series 2020; Providing the Form, Terms and Conditions of the Bond, the Use of its Proceeds and Providing for the Sale Thereof; Securing its Payment by a Pledge of Revenues Derived from the Electric System of the City; Ratifying Action Previously Taken Toward the Issuance of the Bond; Providing for Adoption as if an Emergency Exists, and Providing Other Matters Relating Thereto. **(For discussion only)**
9. Consideration and possible adoption of Bill No. 784 as Ordinance No. 765: An Ordinance Designated by the Short Title "2020 Electric Revenue Refunding Bond Ordinance"; Providing for the Issuance by City of Fallon, Nevada of its Electric System Revenue Refunding Bond, Series 2020; Providing the Form, Terms and Conditions of the Bond, the Use of its Proceeds and Providing for the Sale Thereof; Securing its Payment by a Pledge of Revenues Derived from the Electric System of the City; Ratifying Action Previously Taken Toward the Issuance of the Bond; Providing for Adoption as if an Emergency Exists, and Providing Other Matters Relating Thereto. **(For possible adoption)**
10. Presentation of the Police Department Report for June 2020. **(For possible action)**
11. Public Comments **(For discussion only)**
12. Council and Staff Reports **(For discussion only)**
13. Executive Session (closed):
  - Discuss Litigation Matters **(For discussion only)** (NRS 241 et.seq.)
  - Negotiations with Operating Engineers Local Union No. 3 **(For discussion only)**
  - Negotiations with Fallon Peace Officers Association **(For discussion only)**

Pursuant to Governor Sisolak's Declaration of Emergency Directive 006 entered on March 22, 2020, and extended by Emergency Directive 016 entered on April 29, 2020, by Emergency Directive 018 entered on May 7, 2020, and by Emergency Directive 021 entered on May 28, 2020, this agenda has been posted on or before 9:00 a.m. on July 15, 2020 to the City's website (<https://fallonnevada.gov>) and the State of Nevada public notice website (<https://notice.nv.gov/>). Members of the public may request the supporting material for this meeting by contacting Elsie M. Lee, Deputy City Clerk, at (775) 423-5104 or [elee@fallonnevada.gov](mailto:elee@fallonnevada.gov). The supporting material for this meeting is also available to the public on the City's website (<https://fallonnevada.gov>) and the State of Nevada public notice website (<https://notice.nv.gov/>).

  
Elsie M. Lee

NOTICE TO PERSONS WITH DISABILITIES: Reasonable effort will be made to assist and accommodate physically handicapped persons desiring to attend the meeting. Please call the City Clerk's Office at 423-5104 in advance so that arrangements may be conveniently made.



July 20, 2020

## Agenda Item 5

Consideration and possible approval and adoption of Resolution No. 20-07: A resolution of the City Council of Fallon, Nevada providing for the transfer of the City's 2020 private activity bond volume cap to the Nevada Rural Housing Authority, and other matters properly related thereto. **(For possible action)**

**CITY OF FALLON  
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 5

DATE SUBMITTED: July 13, 2020

AGENDA DATE REQUESTED: July 20, 2020

TO: The Honorable City Council

FROM: Robert Erquiaga, Legal and Administrative Director

SUBJECT TITLE: Consideration and possible approval and adoption of Resolution No. 20-07: A resolution of the City Council of Fallon, Nevada providing for the transfer of the City's 2020 private activity bond volume cap to the Nevada Rural Housing Authority, and other matters properly related thereto. **(For possible action)**

TYPE OF ACTION REQUESTED: (Check One)

<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Ordinance
<input type="checkbox"/> Formal Action/Motion	<input type="checkbox"/> Other

RECOMMENDED COUNCIL ACTION: Motion to approve and adopt Resolution No. 20-07: A resolution of the City Council of Fallon, Nevada providing for the transfer of the City's 2020 private activity bond volume cap to the Nevada Rural Housing Authority, and other matters properly related thereto.

DISCUSSION: Mr. William Brewer, of the Nevada Rural Housing Authority ("NRHA"), has submitted a request for the City to transfer its 2020 private activity bond volume cap to the NRHA. The NRHA promotes, provides and finances affordable housing opportunities for rural Nevadans. The City has annually approved the request from the NRHA. If approved, the attached resolution and transfer certificate will be executed and delivered to the Nevada Department of Business and Industry.

FISCAL IMPACT: N/A

FUNDING SOURCE: N/A

PREPARED BY: Robert Erquiaga, Legal and Administrative Director

## **RESOLUTION No. 20-07**

A RESOLUTION OF THE CITY COUNCIL OF FALLON, NEVADA PROVIDING FOR THE TRANSFER OF THE CITY'S 2020 PRIVATE ACTIVITY BOND VOLUME CAP TO THE NEVADA RURAL HOUSING AUTHORITY; AND OTHER MATTERS PROPERLY RELATED THERETO.

WHEREAS, pursuant to the provisions of Chapter 348A of the Nevada Revised Statutes ("NRS") and Chapter 348A of the Nevada Administrative Code ("NAC"), there has been allocated to the City of Fallon, in Churchill County, Nevada (the "City," "County" and "State," respectively), the amount of \$477,082.89 in tax-exempt private activity bond volume cap for year 2020 (the "2020 Bond Cap"); and

WHEREAS, the Nevada Rural Housing Authority (the "NRHA"), has requested that the City transfer its 2020 Bond Cap to the NRHA for the purpose of providing a means of financing the costs of single family residential housing that will provide decent, safe and sanitary dwellings at affordable prices for persons of low and moderate income ("*Single Family Programs*"); and

WHEREAS, the City is a local government as defined by NAC 348A.070; and

WHEREAS, Section 348A.180 of the NAC provides a procedure whereby the City may, by resolution, transfer to any other local government located within the same county, all or any portion of its 2020 Bond Cap; and

WHEREAS, pursuant to NRS 315.983(1)(a), the NRHA is an instrumentality, local government and political subdivision of the State; and

WHEREAS, the NRHA is located within the County, pursuant to NRS 315.963, which defines the NRHA's area of operation as "any area of the State which is not included within the corporate limits of a city or town having a population of 150,000 or more."

NOW, THEREFORE, the City Council of the City of Fallon does hereby find, resolve, determine and order as follows:

*Section 1. Recitals.* The recitals set forth herein above are true and correct in all respects.

*Section 2. Transfer of Private Activity Bond Volume Cap.* Pursuant to NAC 348A.180, the City hereby transfers its 2020 Bond Cap in the amount of \$477,082.89 to the NRHA for its Single Family Programs.

*Section 3. Use of 2020 Bond Cap.* The NRHA will use the 2020 Bond Cap for single family purposes in calendar year 2020 or carry forward any remaining amount according to the Internal Revenue Code of 1986, as amended, for such purposes.



*Section 4. Representative of City.* Pursuant to NAC 348A.180(1), the Director of the State of Nevada Department of Business and Industry (the "Director") may contact Sean Richardson, City Clerk, City of Fallon, regarding this Resolution at (775) 423-5104 or by email at [srichardson@fallonnevada.gov](mailto:srichardson@fallonnevada.gov) or in writing at 55 West Williams Avenue, Fallon, Nevada 89406.

*Section 5. Additional Action.* The Mayor and Clerk of the City are hereby authorized and directed to take all actions as necessary to effectuate the transfer of the 2020 Bond Cap, and carry out the duties of the City hereunder, including the execution of all certificates pertaining to the transfer as required by NAC Ch. 348A.

*Section 6. Direction to the NRHA.* The NRHA shall notify the Director in writing as soon as practicable of the occurrence or nonoccurrence of any term or condition that would affect the disposition of the 2020 Bond Cap.

*Section 7. Representative of the NRHA.* Pursuant to NAC 348A.180(3), the Director of Business and Industry may contact Diane Arvizo, Director of Homeownership Programs of the NRHA regarding this Resolution at (775) 886-7900 or by email at [Diane@NVRural.Org](mailto:Diane@NVRural.Org) or in writing at Nevada Rural Housing Authority, 3695 Desatoya Drive, Carson City, Nevada 89701.

*Section 8. Obligation of the City.* This Resolution is not to be construed as a pledge of the faith and credit of or by the City, or of any agency, instrumentality, or subdivision of the City. Nothing in this Resolution obligates or authorizes the City to issue bonds for any project or to grant approvals for a project or constitutes a representation that such bonds will be issued.

*Section 9. Enforceability.* If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution. This Resolution shall go into effect immediately upon its passage.

ADOPTED, SIGNED AND APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2020.

CITY OF FALLON, NEVADA

By \_\_\_\_\_  
Ken Tedford, Mayor

ATTEST:

By \_\_\_\_\_  
Sean Richardson, City Clerk



### **CERTIFICATE OF TRANSFER OF VOLUME CAP**

I, Sean Richardson, am the duly chosen and qualified City Clerk of the City of Fallon, Nevada (the "*City*") and in the performance of my duties as City Clerk do hereby certify to the Office of Business Finance and Planning in accordance with Section 348A.260 of the Nevada Administrative Code ("*NAC*"), that the 2020 private activity bond volume cap allocated to the City in the amount of \$477,082.89 has been transferred as follows:

\$477,082.89 has been transferred pursuant to NAC 348A.180 from the City, a local government, located in Churchill County to the Nevada Rural Housing Authority, a local government, located within Churchill County for the purpose of providing a means of financing the costs of single family residential housing that will provide decent, safe and sanitary dwellings at affordable prices for persons of low and moderate income.

This certificate is being filed within five (5) days of the transfer being made in accordance with NAC 348.260.

CITY OF FALLON, NEVADA

By \_\_\_\_\_  
Sean Richardson, City Clerk

cc: Diane Arvizo, Nevada Rural Housing Authority



July 1, 2020

The Honorable Ken Tedford  
Mayor, City of Fallon  
55 W. Williams Ave.  
Fallon, NV 89406

Dear Mayor Tedford:

I would like to thank you for the City of Fallon's partnership with the Nevada Rural Housing Authority (NRHA). Each year, your city has transferred its unused Private Activity Bond Cap (PABC) to NRHA, resulting in our continued success operating the award-winning, single-family housing program, Home At Last™ and helping to fulfill NRHA's mission to promote, provide and finance affordable housing opportunities for all rural Nevadans.

What does that mean? It means 9,000 families have achieved their dream of affordable homeownership. It means \$27.7 million in homeowner tax savings have been invested back into our Nevada communities. It means Fallon resident Crystal H. and her family of five were able to purchase their first home. Crystal and her family join the hundreds of other Nevada families who were able to achieve their dreams of homeownership in 2019 and proclaim, "We are Home At Last!"

Home At Last™ gives Nevadans a trusted path to responsible homeownership. We know homeownership isn't only about getting approved and moving in – it's also about building long-term success. That's why we have Home At Last University (HAL U for short) that offers comprehensive (and required) homebuyer education. It's also why we partner with the Trio lease-to-own program, which gives almost-ready borrowers a path that's right for them. Homeownership helps Nevadans plant roots and bolster our communities' pride throughout the Silver State.

The transfer of PABC does not obligate the City of Fallon in any way. It simply gives us the financing tools to ensure we can successfully offer access to affordable homeownership programs – such as the Mortgage Credit Certificate (the "MCC"), which, in turn, support your community through single-family housing financing and tax credits to homeowners to reinvest in your local economy.

**Please accept this letter as our formal request to schedule this action (or consent) item for the next City Council meeting. To simplify the transfer, a draft resolution and corresponding transfer certificate is attached. Within five (5) days of approval, please email a copy of the signed resolution and transfer certificate to [Diane@NVRural.org](mailto:Diane@NVRural.org) and mail the original documents to:**

**Attn: Carrie Foley  
Nevada Department of Business & Industry  
3300 W. Sahara Ave., Suite 425  
Las Vegas, NV 89102**

If you have any questions about the transfer, please consult your counsel or NRHA's bond counsel, Ryan Bowen at (312) 845-3277.

With Sincere Gratitude,

William L. Brewer  
Executive Director

Enclosures: 2  
Attachment 1: Resolution  
Attachment 2: Transfer Certificate







A Program of  
**Nevada Rural  
Housing Authority**  
HomeAtLastNV.org

## Home At Last™

A Program of the Nevada Rural Housing Authority

The Nevada Rural Housing Authority's mission is to promote, provide and finance affordable housing opportunities for all rural Nevadans.

Home At Last™ homeownership programs provide rural Nevadans with access to affordable homeownership opportunities, which is a key component to successful economic development throughout the state. We recognize the tremendous value in working with our local communities and your commitment to helping ensure every citizen has a home they can afford – it's part of what makes rural Nevada a great place to live!



### HOME AT LAST™ PROGRAM

(Since 2006 Launch)

**\$1.8 BILLION**  
Mortgages Provided

**9,000 FAMILIES ASSISTED**  
Mortgage Credit Certificates  
Down Payment Assistance

**\$52.1 MILLION**  
Down Payment Assistance Provided

**\$27.7 MILLION**  
Tax Savings to Homeowners  
Reinvested in Local Communities



**\$4.4 Million in Private Activity Bond Cap Transfers**  
from the City of Fallon to NRHA since 2006



**\$256,000 in Federal Tax Savings to Homeowners in**  
the City of Fallon since 2006



**\$525,198 in Down Payment Assistance to**  
Homebuyers in the City of Fallon since 2006



**109 Home At Last™ Families Assisted**  
in the City of Fallon since 2006

**Home At Last™**  
**Impact**  
**City of Fallon**

**\$18.5**  
**Million in**  
**Loan Volume**

This institution is an equal opportunity provider and employer.







A Program of  
Nevada Rural  
Housing Authority  
HomeAtLastNV.org

# Home At Last™ in the City of Fallon

Pursuant to NRS 315 et. seq., NRHA operates under the oversight of a board of commissioners appointed by the Nevada Association of Counties and Nevada League of Cities and Municipalities and is defined as an instrumentality, local government and political subdivision of the State, exercising public and essential governmental functions. NRHA's area of operation is defined as communities with population below 150,000.

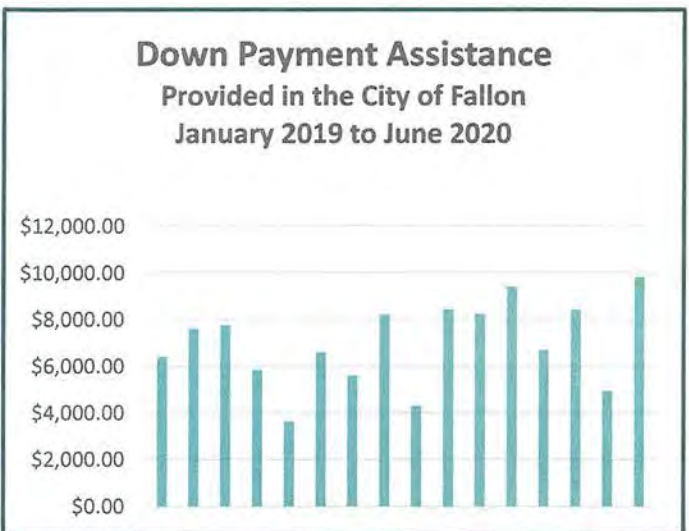
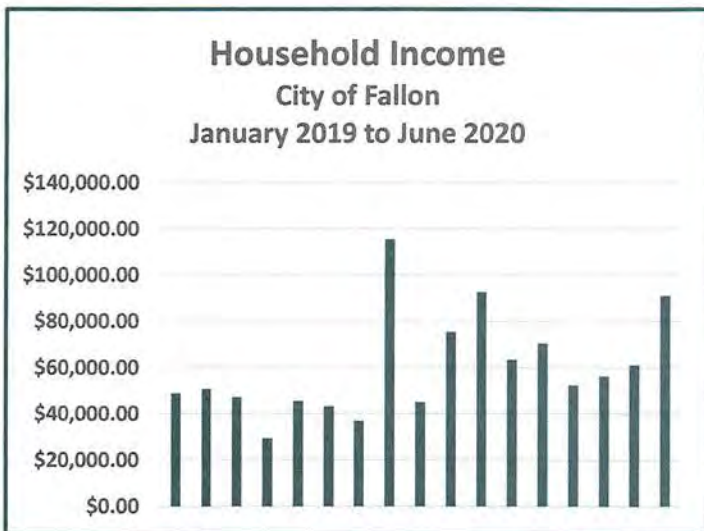
Community	Loan Volume Since 2006	Families Assisted Since 2006
City Limits of Fallon	\$18,452,037	109
<b>Total</b>	<b>\$18,452,037</b>	<b>109</b>
Home At Last™ Programs	Loan Volume Since 2006	Families Assisted Since 2006
Down Payment Assistance	\$16,080,816	93
Mortgage Credit Certificates	\$2,371,221	16
<b>Total</b>	<b>\$18,452,037</b>	<b>109</b>



**Average Credit Score in the City of Fallon (2019-2020): 695**

**Average Loan Size in the City of Fallon (2019-2020): \$196,330**

**Average Household Income in the City of Fallon (2019-2020): \$60,258**







A Program of  
**Nevada Rural  
Housing Authority**  
HomeAtLastNV.org

# Home At Last™ in the City of Fallon

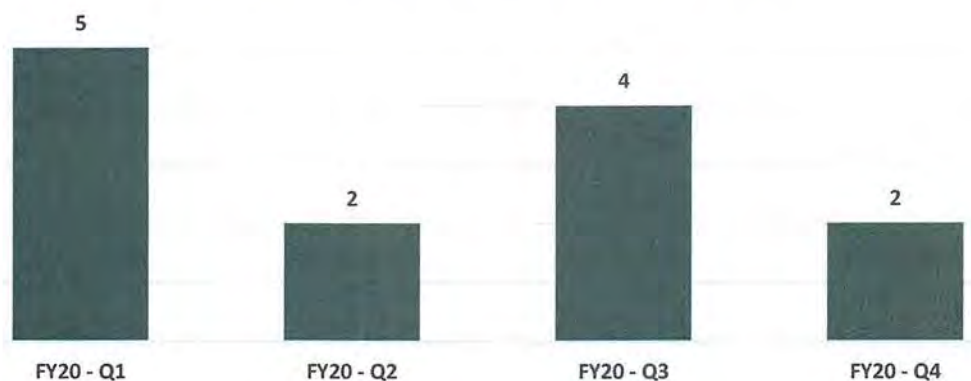
As a national award-winning program, Home At Last™, a program of the Nevada Rural Housing Authority (NRHA) provides unprecedented access to affordable credit, resulting in more doors being opened to rural Nevadans owning a home of their own. Private activity bond cap enables NRHA to support your community by providing affordable single-family home financing to low- and moderate-income households.

## Home At Last™ Activity

### City of Fallon - FY 20

18 Families Assisted

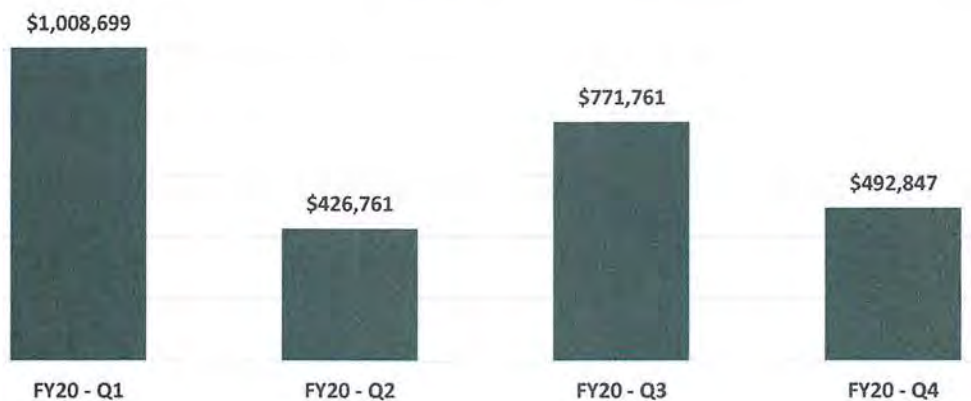
Down Payment Assistance & Mortgage Credit Certificates



## Home At Last™ Activity

### City of Fallon - FY20

\$2.7 Million in Mortgages Provided



# Home At Last™ University

In 2019, NRHA launched another innovative solution to help further its mission – *Home At Last™ University* (HAL U for short), an online education platform for homebuyers, realtors and lenders. During the COVID-19 pandemic, with its 24/7 access, HAL U continued to prepare homebuyers, train realtors and support lenders. Now, NRHA is expanding HAL U to provide HUD required Housing Choice Voucher (Section 8) briefings to tenants who are unable to meet case workers in person.



## Top Lenders in Churchill County

- Guild Mortgage
- Finance of America
- iServe Residential Lending
- PrimeLending

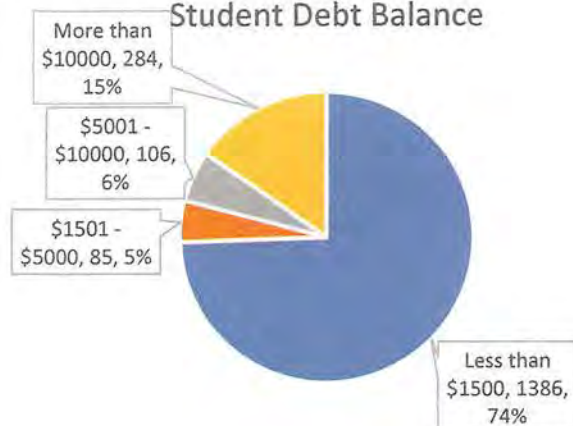
## Enrollment & Graduation Rate by Month



## Student Debt



## Student Debt Balance





July 20, 2020

## Agenda Item 6

Consideration and possible approval of an application by Maverik, Inc. to vacate a 15' wide Power and Utility Easement on property owned by Maverik, Inc. located at 870 West Williams Avenue, Fallon, Nevada. **(For possible action)**

**CITY OF FALLON  
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 6

DATE SUBMITTED: July 13, 2020

AGENDA DATE REQUESTED: July 20, 2020

TO: The Honorable City Council

FROM: Robert Erquiaga, Legal and Administrative Director

SUBJECT TITLE: Consideration and possible approval of an application by Maverik, Inc. to vacate a 15' wide Power and Utility Easement on property owned by Maverik, Inc. located at 870 West Williams Avenue, Fallon, Nevada. **(For possible action)**

TYPE OF ACTION REQUESTED: (Check One)

- |  |                                    |
|--|------------------------------------|
| <input type="checkbox"/> Resolution                      | <input type="checkbox"/> Ordinance |
| <input checked="" type="checkbox"/> Formal Action/Motion | <input type="checkbox"/> Other     |

RECOMMENDED COUNCIL ACTION: Motion to approve the application by Maverik, Inc. to vacate a 15' wide Power and Utility Easement on property owned by Maverik, Inc. located at 870 West Williams Avenue, Fallon, Nevada.

DISCUSSION: Maverik, Inc. has submitted an application to vacate a 15' wide Power and Utility Easement on property they own located at 870 West Williams Avenue. The easement has been utilized to provide electric and sewer service to the existing building on the property. The building is now scheduled for demolition by Maverik, Inc so that they may improve the property. Pursuant to NRS 278.480, the City published proper notice of the application and of the date, place and time of this hearing in the Lahontan Valley News on July 1, 2020. A copy of the Proof of Publication is attached to this agenda item. The City also sent letters to the abutting property owners and the public utilities that signed off on the Parcel Map which created the easement. A copy of the Declaration of Mailing is also attached to this agenda item. City staff recommends approval of the application.

FISCAL IMPACT: N/A

FUNDING SOURCE: N/A.

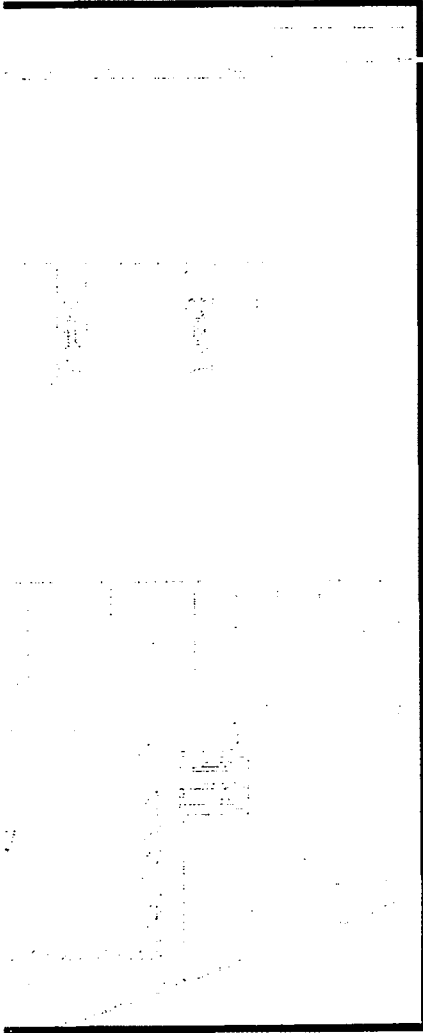
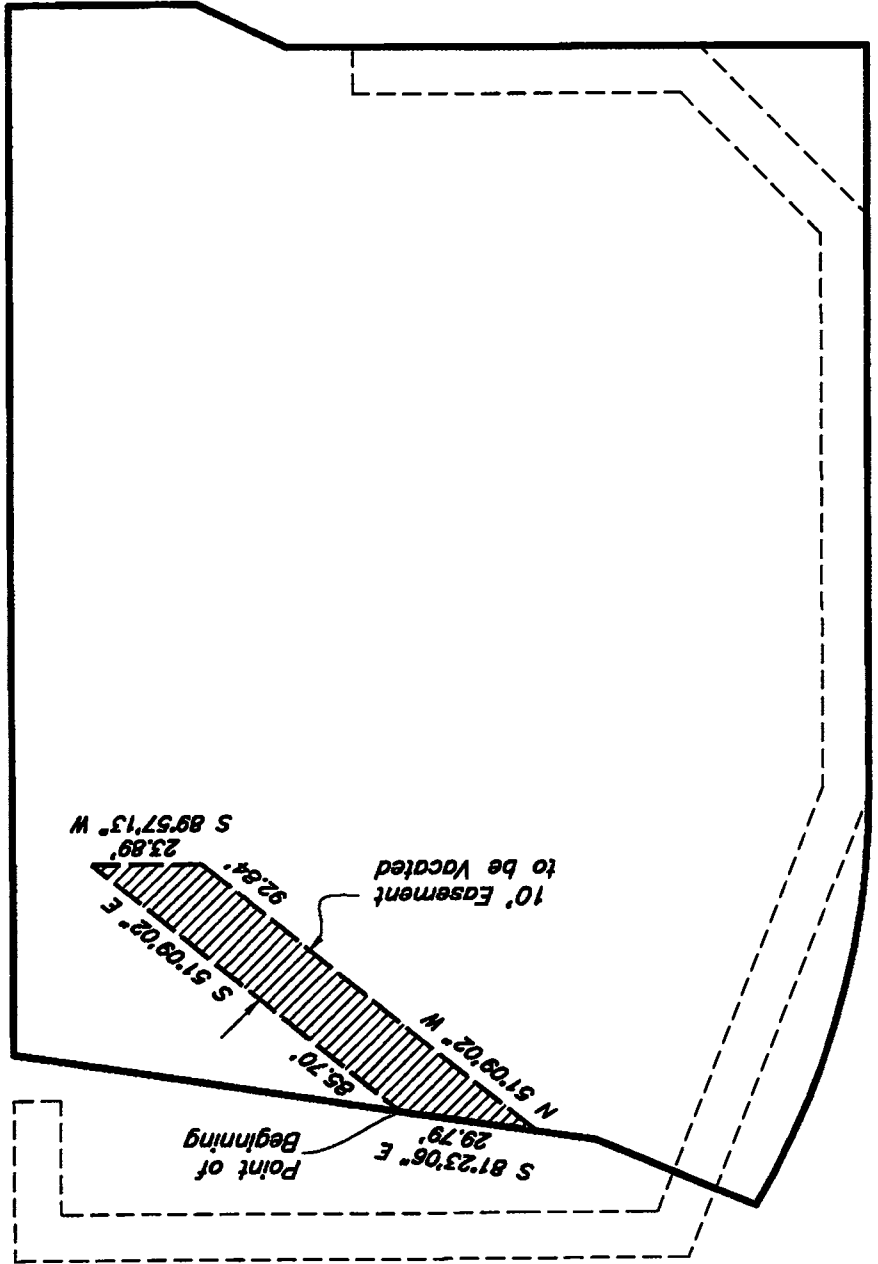
PREPARED BY: Robert Erquiaga, Legal and Administrative Director





**WILLIAMS AVE**

Scale: 1" = 40'



**Maverik  
Fallon, Nevada  
Partial Release of Easement**

**November 1, 2019**

All that portion of an existing 15 foot wide Power and Utility Easement as it affects Parcel A of Parcel Map File Number 304428 in Book 28, Page 11, Records of Churchill County, Nevada, lying within the Southeast Quarter of Section 25, Township 19 North, Range 28 East, Mount Diablo Base & Meridian, U.S. Survey, described metes and bounds as follows:

Beginning at a point on the Northerly Line of said Parcel A located 84.41 feet North  $81^{\circ}23'06''$  West along said Northerly Line from the Northeasterly Corner of said Parcel A; and running thence South  $51^{\circ}09'02''$  East 85.70 feet to the North Line of an existing building; thence South  $89^{\circ}57'13''$  West 23.89 feet along said building line; thence North  $51^{\circ}09'02''$  West 92.85 feet to the Northerly Line of said Parcel A; thence South  $81^{\circ}23'06''$  East 29.79 feet along said Northerly Line to the point of beginning.

**Contains 1,339 sq. ft.**

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1. That I am a citizen of the United States of America, over the age of twenty-one (21) year; and

**Jacob and Shelly Miller**  
**876 West Williams Avenue**  
**Fallon, NV 89406**

**Julie Williams**  
**Southwest Gas**  
**PO Box 98510**  
**Las Vegas, NV 89193**

DATED this 29<sup>th</sup> day of June, 2020.

20. Nicole Dooley





580 Mallory Way, Carson City, NV 89701  
P.O. Box 1888 Carson City, NV 89702  
(775) 881-1201 FAX: (775) 887-2408

**Customer Account #:** 1066221

**Legal Account**

CITY OF FALLON,  
55 W. WILLIAMS AVE.  
FALLON, NV 89406  
Attn: Nicole Dooley

**Jody Mudgett says:**

That (s)he is a legal clerk of the  
**Lahontan Valley News,**  
a newspaper published Wednesday  
at Fallon, in the State of Nevada.

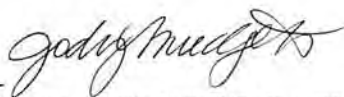
**Copy Line**

PH July 20

**PO#:**

**Ad #:** 0000595274-01

of which a copy is hereto attached, was published  
in said newspaper for the full required period of  
**1** time(s) commencing on **07/01/2020**,  
and ending on **07/01/2020**, all days inclusive.

Signed:   
Date: 07/01/2020 State of Nevada, Carson City

**This is an Original Electronic Affidavit.**

**Price: \$ 78.41**

**Proof and Statement of Publication**

**Ad #: 0000595274-01**

**City of Fallon**  
**Notice of Public Hearing on Application to**  
**Vacate a Public Utility Easement**

Notice is hereby given that the Honorable City Council of the City of Fallon will hold a Public Hearing on Monday, July 20, 2020 at 9:00 a.m. in the City Council Chambers, City Hall, 55 West Williams Avenue, Fallon, Nevada to consider an application by Maverik, Inc. to vacate a 15' wide Power and Utility Easement on property owned by Maverik, Inc. located at 870 West Williams Avenue, Fallon, Nevada.

Notice is hereby further given that copies of the Application have been deposited with the City Clerk, City Hall, 55 West Williams Avenue, Fallon, Nevada 89406, for public examination and distribution upon request. Members of the public may request a copy of the Application by contacting Elsie Lee, Deputy City Clerk, at (775) 423-5104 or [elee@fallonnevada.gov](mailto:elee@fallonnevada.gov). All persons interested may attend the Public Hearing and make objections, if any they have, to the allowance of the Application.

Date: July 1, 2020  
Sean Richardson  
City Clerk-Treasurer

**Pub: July 1, 2020**

**Ad#0000595274**



July 20, 2020

## Agenda Item 7

Introduction of Bill No. 784: An Ordinance Designated by the Short Title "2020 Electric Revenue Refunding Bond Ordinance"; Providing for the Issuance by City of Fallon, Nevada of its Electric System Revenue Refunding Bond, Series 2020; Providing the Form, Terms and Conditions of the Bond, the Use of its Proceeds and Providing for the Sale Thereof; Securing its Payment by a Pledge of Revenues Derived from the Electric System of the City; Ratifying Action Previously Taken Toward the Issuance of the Bond; Providing for Adoption as if an Emergency Exists, and Providing Other Matters Relating Thereto. **(For possible introduction)**

**CITY OF FALLON**  
**REQUEST FOR COUNCIL ACTION**

Agenda Item No. 7

DATE SUBMITTED: July 14, 2020

AGENDA DATE REQUESTED: July 20, 2020

TO: The Honorable City Council

FROM: Robert Erquiaga, Legal and Administrative Director  
Sean Richardson, City Clerk/Treasurer

SUBJECT TITLE: Introduction of Bill No. 784: An Ordinance Designated by the Short Title "2020 Electric Revenue Refunding Bond Ordinance"; Providing for the Issuance by City of Fallon, Nevada of its Electric System Revenue Refunding Bond, Series 2020; Providing the Form, Terms and Conditions of the Bond, the Use of its Proceeds and Providing for the Sale Thereof; Securing its Payment by a Pledge of Revenues Derived from the Electric System of the City; Ratifying Action Previously Taken Toward the Issuance of the Bond; Providing for Adoption as if an Emergency Exists, and Providing Other Matters Relating Thereto. (For possible introduction)

TYPE OF ACTION REQUESTED: (Check One)

<input type="checkbox"/> Resolution	<input checked="" type="checkbox"/> Ordinance
<input type="checkbox"/> Formal Action/Motion	<input type="checkbox"/> Other

RECOMMENDED COUNCIL ACTION: Introduction of Bill No. 784: An Ordinance Designated by the Short Title "2020 Electric Revenue Refunding Bond Ordinance"; Providing for the Issuance by City of Fallon, Nevada of its Electric System Revenue Refunding Bond, Series 2020; Providing the Form, Terms and Conditions of the Bond, the Use of its Proceeds and Providing for the Sale Thereof; Securing its Payment by a Pledge of Revenues Derived from the Electric System of the City; Ratifying Action Previously Taken Toward the Issuance of the Bond; Providing for Adoption as if an Emergency Exists, and Providing Other Matters Relating Thereto.

DISCUSSION: None. The proposed Ordinance will be read by title to the City Council.

FISCAL IMPACT: Total savings over the life of the loan is estimated to be \$485,335.

FUNDING SOURCE: Electric Enterprise Fund.

PREPARED BY: Sean Richardson, City Clerk/Treasurer

REVIEWED BY: Robert Erquiaga, Legal and Administrative Director

Summary: An ordinance authorizing the issuance of the City of Fallon, Nevada Electric System Revenue Refunding Bond, Series 2020 and providing other matters related thereto.

**BILL NO.**  
**ORDINANCE NO.**

**AN ORDINANCE DESIGNATED BY THE SHORT TITLE “2020 ELECTRIC REVENUE REFUNDING BOND ORDINANCE”; PROVIDING FOR THE ISSUANCE BY CITY OF FALLON, NEVADA OF ITS ELECTRIC SYSTEM REVENUE REFUNDING BOND, SERIES 2020; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BOND, THE USE OF ITS PROCEEDS AND PROVIDING FOR THE SALE THEREOF; SECURING ITS PAYMENT BY A PLEDGE OF REVENUES DERIVED FROM THE ELECTRIC SYSTEM OF THE CITY; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD THE ISSUANCE OF THE BOND; PROVIDING FOR ADOPTION AS IF AN EMERGENCY EXISTS, AND PROVIDING OTHER MATTERS RELATING THERETO.**

**WHEREAS**, the City of Fallon in the State of Nevada (the “City” and the “State,” respectively) is a political subdivision of the State duly organized and consolidated as a city under the provisions of chapter 266 of the Nevada Revised Statutes (“NRS”) and the general laws of the State;

**WHEREAS**, the City now owns and operates a municipal electric system (the “Electric System”);

**WHEREAS**, the City has previously issued its “City of Fallon, Nevada Electric System Revenue Bond, Series 2017” (the “2017 Bond”) in the aggregate principal amount of \$6,333,000;

**WHEREAS**, the 2017 Bond is secured by a lien on the Net Revenues (as defined below) of the Electric System;

**WHEREAS**, other than the 2017 Bond, the City has no outstanding obligations which have a lien on the Net Revenues of the Electric System;

**WHEREAS**, the installments of principal on the 2017 Bond coming due on and after November 1, 2020 are subject to redemption prior to maturity at the option of the City, in whole but not in part, on any payment date (commencing on November 1, 2017) at a price equal to the principal amount so redeemed plus accrued interest thereon to the redemption date;

**WHEREAS**, pursuant to the provisions of NRS Sections 350.500 through 350.720, and all laws amendatory thereof, cited in Section 350.500 thereof by the short title “Local Government Securities Law” (the “Bond Act”), the City is authorized to issue bonds in order to refund, pay and discharge certain outstanding bonds of the City for the purpose of reducing interest rates and effecting other economies;

**WHEREAS**, the Council hereby determines that it is in the best interests of the City and the inhabits thereof to issue its “City of Fallon, Nevada Electric System Revenue Refunding Bond, Series



2020” (the “Bond”) in the aggregate principal amount set forth in the Certificate of the Clerk/Treasurer of the City dated on or before the date of delivery of the Bond (the “Certificate of the Clerk/Treasurer”), but not to exceed \$5,650,000, to refund, pay and discharge the portion of the outstanding the 2017 Bond designated in the Certificate of the Clerk/Treasurer, if any (the “Refunded Bonds”) and pay the costs associated with the issuance of the Bond (collectively, the “Refunding Project”);

**WHEREAS**, the Council has previously authorized and hereby does authorize the Clerk/Treasurer of the City (the “Clerk/Treasurer”) to solicit bids for the Bond and accept a binding bid for the Bond from the best bidder therefor (the “Purchaser”);

**WHEREAS**, after negotiation with the Purchaser for the sale of the Bond, the Clerk/Treasurer is hereby authorized to accept a binding offer from the Purchaser for the Bond, the Bond to bear interest at the variable or fixed rate or rates per annum provided in the Bond purchase proposal submitted by the Purchaser (the “Bond Purchase Proposal”), such rate or rates not to exceed 3% over the Index of Revenue Bonds most recently published in *The Bond Buyer* prior to the time the negotiated offer was accepted for the Bond (calculated on the basis of a 360-day year of twelve 30-day months), at a price equal to the principal amount thereof plus a premium or less a discount not to exceed 9 percent of the principal amount of the Bond, all as specified by the City Treasurer in the Certificate of the City Treasurer; and

**WHEREAS**, the Council hereby elects to have the provisions of Chapter 348 of NRS (the “Supplemental Bond Act”) apply to the Bond;

**WHEREAS**, the Council is therefore authorized by the Bond Act, without any further preliminaries:

A. To commence the Refunding Project;

B. To issue and sell the Bond in the maximum principal amount of \$5,650,000;

and

C. To exercise the incidental powers provided in the Bond Act in connection with the powers authorized therein;

**WHEREAS**, the Council has determined and does hereby declare that each of the limitations and other conditions to the issuance of the Bond in the Bond Act, and in any other relevant act of the State or the Federal Government, has been met; and pursuant to Section 350.708 of the Bond Act, this determination of the Council that the limitations in the Bond Act have been met shall be conclusive in the absence of fraud or arbitrary or gross abuse of discretion; and

**WHEREAS**, the Council has determined and does hereby declare:

A. This Ordinance pertains to the sale, issuance and payment of the Bond;

B. Such declaration shall be conclusive in the absence of fraud or gross abuse of discretion in accordance with the provisions of Subsection 2 of NRS 350.579; and

C. This Ordinance may accordingly be adopted as if an emergency now exists by an affirmative vote of all of the voting members of the Council (excluding from any such computation any vacancy on the Council and any member thereof who may vote only to break a tie vote), and this

Ordinance may become effective at any time when an emergency ordinance of the City may go into effect.

**NOW, THEREFORE, THE CITY COUNCIL OF CITY OF FALLON DOES ORDAIN:**

**SECTION 1. Short Title.** This Ordinance shall be known and may be cited as the “2020 Electric System Revenue Refunding Bond Ordinance.”

**SECTION 2. Definitions.** The terms in this section and in the preambles hereof defined for all purposes of this Ordinance and of any instrument amendatory hereof or supplemental hereto, and of any other instrument or any other document relating hereto, except where the context by clear implication otherwise requires, shall have the meanings in this section and in said preambles specified:

**“Banking Institution”** means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation.

**“Bond Requirements”** means the principal of, the interest on and any prior redemption premiums due in connection with the Bond, Parity Securities, as appropriate, as such principal, interest and premiums become due at maturity or on a Redemption Date, or otherwise.

**“Bond Year”** means the 12 month period commencing on May 2 of a calendar year and ending on May 1 of the following calendar year.

**“Certificate of the City Clerk/Treasurer”** means the certificate executed by the City Clerk/Treasurer of the City on or before the date of closing on the Bond.

**“Electric System”** means the Electric System of the City, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the City through purchase, construction or otherwise, and used in connection with such system of the City, and in any way pertaining thereto, whether or not located within or without or both within and without the boundaries of the City, including, without limitation, machinery, apparatus, structures, buildings and related or appurtenant furniture, fixtures and other equipment, as such system is from time to time extended, bettered or otherwise improved, or any combination thereof.

**“Escrow Account”** means the “City of Fallon, Nevada, Electric System Revenue Refunding Bonds, Series 2020 Escrow Account” created herein and held by the Escrow Bank.

**“Escrow Agreement”** means the “City of Fallon, Nevada, Electric System Revenue Refunding Bonds, Series 2020 Escrow Agreement” by and between the City and the Escrow Bank relating to the Refunded Bonds.

**“Escrow Bank”** means The Bank of New York Mellon Trust Company, N.A.

**“Federal Government”** means the United States, or any agency, instrumentality or corporation thereof.

**“Federal Securities”** means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States.

**“Fiscal Year”** means the 12 months commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year; but if the Nevada Legislature changes the statutory fiscal year relating to the City, the Fiscal Year shall conform to such modified statutory fiscal year from the time of each such notification, if any.

**“Gross Revenues”** means all income and revenues derived directly or indirectly by the City from the operation and use and otherwise pertaining to the Electric System or any part thereof.

**“Net Revenues”** means the Gross Revenues remaining after the deduction of Operation and Maintenance Expenses.

**“Operation and Maintenance Expenses”** means all reasonable and necessary current expenses of the City calculated in accordance with GAAP, paid or accrued, of operating, maintaining and repairing the Electric System, including, without limitation:

- (a) engineering, auditing, reporting, legal and other overhead expenses relating to the administration, operation and maintenance of the Electric System;

- (b) fidelity bond and property and liability insurance premiums pertaining to the Electric System or a reasonably allocable share of a premium of any blanket bond or policy pertaining to the Electric System;

- (c) payments to pension, retirement, health and hospitalization funds, and other insurance and to any self-insurance fund as insurance premiums not in excess of such premiums which would otherwise be required for such insurance;

- (d) any general taxes, assessments, excise taxes, or other charges which may be lawfully imposed upon the City, the Electric System, revenues therefrom or the City’s income from or operations of any properties under its control and pertaining to the Electric System, or any privilege in connection with the Electric System or its operations; provided that for purposes of this subparagraph (d), taxes, assessments, excise taxes, or other charges shall not include payments in lieu of taxes or other similar payments to the City general fund or other City fund;

- (e) the reasonable charges of any Paying Agent or Registrar and any depository bank pertaining to the Bond or any other securities payable from Gross Revenues or otherwise pertaining to the Electric System;

- (f) contractual services, professional services, salaries, other administrative expenses and costs of materials, supplies, repairs and labor pertaining to the Electric System or to the issuance of the Bond, or any other securities relating to the Electric System, including, without limitation, the expenses and compensation of any receiver or other fiduciary under the Bond Act;

- (g) the costs incurred by the Council in the collection and any refunds of all or any part of Gross Revenues;

- (h) any costs of utility services furnished to the Electric System;

- (i) any lawful refunds of any Gross Revenues; and

(j) all other administrative, general and commercial expenses pertaining to the Electric System;

but excluding:

(i) any general fund or other City fund transfers from the Revenue Fund;

(ii) any allowance for depreciation;

(iii) any costs of extensions, enlargements, betterments and other improvements, or any combination thereof;

(iv) any reserves for major capital replacements, other than normal repairs;

(v) any reserves for operation, maintenance or repair of the Electric System;

(vi) any allowance for the redemption of the Bond or other security or the payment of any interest thereon or any prior redemption premium due in connection therewith;

(vii) any liabilities incurred in the acquisition or improvement of any properties comprising any project or any existing facilities, or any combination thereof, pertaining to the Electric System, or otherwise; and

(viii) any liabilities imposed on the City for any grounds of legal liability not based on contract, including, without limitation, negligence in the operation of the Electric System.

**“Outstanding”** when used with reference to the Bond or any other designated securities payable from Net Revenues and as of any particular date means all of the Bond or other securities in any manner theretofore and thereupon being executed and delivered:

(a) Except the Bond or other security canceled by the City, the Paying Agent or otherwise on the City’s behalf, at or before such date;

(b) Except the Bond or other security for the payment or the redemption of which moneys at least equal to its Bond Requirements as defined herein to the date of maturity or to any Redemption Date shall have theretofore been deposited with a trust bank in escrow or in trust for that purpose, as provided in Section 46 hereof; and

(c) Except the Bond or other security in lieu of or in substitution for which another Bond or other security shall have been executed and delivered.

**“Parity Securities”** means securities of the City pertaining to the Electric System and payable from and secured by a lien on the Net Revenues on a parity with the Bond which are hereafter issued to the extent issued in accordance with the terms, conditions and limitations hereof.

**“Paying Agent”** means the City Clerk/Treasurer or any successor thereto or any successor paying agent for the Bond appointed by the Council.

**“Person”** means a corporation, firm, other body corporate (including, without limitation, the Federal Government, the State or any other body corporate and politic other than the City), partnership, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

**“Purchaser”** has the meaning ascribed to such term in the recitals hereof.

**“Redemption Date”** means a date fixed for the redemption prior to the respective maturities of the Bond or other designated securities payable from any Net Revenues in any notice of prior redemption or otherwise fixed and designated by the City.

**“Redemption Price”** means, when used with respect to the Bond or other designated security payable from any Net Revenues, the principal amount thereof plus accrued interest thereon to the Redemption Date plus the applicable premium, if any, payable upon the redemption thereof prior to the stated maturity date of the Bond or such other security on a Redemption Date in the manner contemplated in accordance with the security’s terms.

**“Refunding Project”** has the meaning ascribed to such term in the recitals.

**“Registrar”** the City Clerk/Treasurer or any successor thereto or any successor registrar for the Bond appointed by the Council.

**“Subordinate Securities”** means securities of the City pertaining to the Electric System and payable from and secured by a lien on the Net Revenues subordinate and junior to the pledge thereof to the Bond, to the extent issued in accordance with the terms, conditions and limitations hereof

**“Tax Code”** means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bond.

**“Trust Bank”** means a “Banking Institution”, as defined herein, which bank is authorized to exercise and is exercising trust powers, and also means any branch of the Federal Reserve Bank.

Other capitalized terms used herein shall have the meanings given to such terms in the text hereof, except where the context by clear implication otherwise requires.

**SECTION 3. Sale of the Bond.** The sale of the Bond to the Purchaser on the terms provided herein and in accordance with the Certificate of the City Clerk/Treasurer is hereby approved.

**SECTION 4. Ratification.** All action taken previously by the Council and the officers of the City directed toward the Refunding Project and toward the sale and issuance of the Bond is ratified, approved and confirmed.

**SECTION 5. Estimated Life of Facilities.** The Council, on behalf of the City, has determined and does hereby declare:

A. The estimated life or estimated period of usefulness of the facilities to be financed or refinanced with the Bond is not less than 20 years from the date of issuance of the Bonds; and



B. The Bond shall mature at such time or times not exceeding such estimated life or estimated period of usefulness.

**SECTION 6. Necessity of Refunding Project and Bond.** The Council hereby determines that it is necessary and in the best interests of the City, its officers, and the inhabitants of the City that the City effect the Refunding Project and defray wholly or in part the cost thereof by the issuance of the Bond therefor, and it is hereby so determined and declared.

**SECTION 7. Authorization of Refunding Project.** The Council hereby authorizes the Refunding Project.

**SECTION 8. Ordinance to Constitute Contract.** In consideration of the purchase and the acceptance of the Bond by those who shall own the same from time to time, the provisions hereof shall be deemed to be and shall constitute a contract between the City and the owners from time to time of the Bond.

**SECTION 9. Bond Equally Secured.** The covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the owners of any and all of the Outstanding Bond, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any portion of the Bond over any other thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

**SECTION 10. Limitations upon Security.** The payment of the Bond is not secured by an encumbrance, mortgage or other pledge of property of the City, except for the Net Revenues and any other moneys pledged for the payment of the Bond. No property of the City, subject to such exception, shall be liable to be forfeited or taken in payment of the Bond.

**SECTION 11. No Recourse Against Officers and Agents.** No recourse shall be had for the payment of the Bond Requirements of the Bond or for any claim based thereon or otherwise upon this Ordinance or any other instrument relating thereto, against any individual member of the Council or any officer or other agent of the Council or City, past, present or future, either directly or indirectly through the Council or the City, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Bond and as a part of the consideration of its issuance specially waived and released.

**SECTION 12. Authorization of Bond.** For the purpose of providing funds to pay the cost of the Refunding Project, the City shall issue the "City of Fallon, Nevada Electric System Revenue Refunding Bond, Series 2020" in the aggregate principal amount to be specified in the Certificate of the City Clerk/Treasurer, such principal amount not to exceed the aggregate principal amount of \$5,650,000.

**SECTION 13. Bond Details.**

A. The Bond shall be issued in fully registered form, i.e., registered as to both principal and interest, in compliance with Section 149 of the Tax Code, and the regulations of the Secretary of the Treasury thereunder. The Bond shall be dated initially as of the date of delivery thereof to the Purchaser, and shall be issued as a single bond in the principal amount set forth in the Certificate of the City Clerk/Treasurer. The Bond shall bear interest (calculated on the basis of a 360 day year of twelve 30 day months) from its date until its maturity date (or, if redeemed prior to maturity as provided

below, its redemption date) at the rate or rates per annum set forth in the Certificate of the Clerk/Treasurer on the unpaid principal thereof until the principal thereof is paid in full and as otherwise provided in the form of the Bond set forth in Section 21 herein. Interest payments shall be payable semiannually on May 1 and November 1 of each year commencing on the date provided in the Certificate of the City Clerk/Treasurer. Principal payments shall be payable annually on November 1, on the dates set forth in the Certificate of the City Clerk/Treasurer.

B. The installments of principal and interest on the Bond shall be paid by electronic funds transfer to the Purchaser, and otherwise by check or warrant made to the order of the registered owner of the Bond and mailed to the address of the registered owner shown on the registration records kept by the City Clerk/Treasurer acting in the capacity as the Registrar of the Bond, as of the close of business on the day immediately prior to such payment date, or if such date is not a business day, on or before the next succeeding business day. The Paying Agent may make payments of interest on the Bond by such alternative means as may be mutually agreed to between the owner of the Bond and the Paying Agent. All such payments shall be made in lawful money of the United State of America without deduction for any service charges of the Paying Agent or Registrar.

**SECTION 14. Prepayment Option.** Installments of principal on the Bond shall be subject to optional prepayment by the City prior to maturity on the dates, at the prices, and in the manner provided in the Certificate of the Clerk/Treasurer. If all or a portion of the principal of the bond is so called for prepayment, no payment of the principal of or interest on the Bond due on or after the date fixed for prepayment shall be made unless the Bond is presented to the Paying Agent and notation of the installments of principal redeemed is made on the Bond.

**SECTION 15. Negotiability.** Subject to the registration provisions herein provided, the Bond shall be fully negotiable within the meaning of and for the purpose of the Uniform Commercial Code - Investment Securities and each owner shall possess all rights enjoyed by holders of negotiable instruments under the Uniform Commercial Code - Investment Securities.

**SECTION 16. Registration, Transfer and Exchange of Bonds.** The Bond shall be subject to the following provisions relating to their registration, transfer and exchange:

A. Records for the registration of the Bond shall be kept by the Registrar. The person in whose name the Bond shall be registered, on the registration records kept by the Registrar, shall be deemed and regarded as the absolute owner thereof for the purpose of payment and for all other purposes; and payment of or on account of either principal or interest on the Bond shall be made only to or upon the written order of the owner thereof or his or her legal representative. All such payments shall be valid and effectual to discharge the liability upon the Bond to the extent of the sum or sums so paid.

B. If the Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the City may reasonably require, and upon payment of all expenses in connection therewith, authenticate and deliver a replacement Bond. If such lost, stolen, destroyed or mutilated Bond shall have matured or shall have been called for prepayment, the Registrar may direct that the Bond be paid by the Paying Agent in lieu of replacement.

C. The Registrar shall maintain at his office a registration record for the Bond showing the name and address of the registered owner and amounts and dates of any principal prepayments on the Bond.

**SECTION 17. Execution and Authentication.**

A. Prior to the execution of the Bond by facsimile signature and pursuant to Section 350.638, Bond Act, to the act known as the Uniform Facsimile Signatures of Public Officials Act, cited as Chapter 351, NRS, and to the Supplemental Bond Act, the Mayor of the City (the "Mayor") and the City Clerk/Treasurer shall file with the Secretary of State of Nevada his or her manual signature certified by him or her under oath.

B. The Bond shall be signed and executed in the name of and on behalf of the City with the manual or facsimile signature of the Mayor, shall be signed and executed with the manual or facsimile signature of the City Clerk/Treasurer, and shall bear a manual impression or a facsimile of an impression of the official seal of the City attested with the manual or facsimile signature of the City Clerk/Treasurer.

C. The Bond shall not be valid or obligatory for any purpose unless the certificate of authentication thereon, substantially in the form hereinafter provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer or employee of the Registrar, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bond issued hereunder. By authenticating any of the Bond initially delivered pursuant to this Ordinance, the Registrar shall be deemed to have assented to all of the provisions of this Ordinance.

D. The Mayor and the City Clerk/Treasurer are hereby authorized and directed to prepare and execute the Bond as provided herein.

**SECTION 18. Use of Predecessor's Signature.** The Bond bearing the signatures of the officers in office at the time of their execution shall be valid and binding obligations of the City, notwithstanding that before the delivery thereof and payment therefor any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. The Mayor and the City Clerk/Treasurer, at the time of the execution of a signature certificate relating to the Bond, may each adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office if such facsimile signature appears upon any of the Bond.

**SECTION 19. Incontestable Recital.** Pursuant to NRS 350.628, the Bond shall contain a recital that they are issued pursuant to the Bond Act, which recital shall be conclusive evidence of the validity of the Bond and the regularity of their issuance.

**SECTION 20. State Tax Exemption.** Pursuant to NRS 350.710, the Bond, its transfer and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof except the tax on estates imposed pursuant to the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to the provisions of Chapter 375B of NRS.



**SECTION 21. Form of Bond.** The Bond shall be in substantially the following form, said form to be completed with necessary or appropriate variations, insertions, omissions, or endorsements consistent with the provisions of this Ordinance:

(Form of Bond)

THIS BOND IS SUBJECT TO TRANSFER RESTRICTIONS  
TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

UNITED STATES OF AMERICA  
CITY OF FALLON, NEVADA  
ELECTRIC SYSTEM REVENUE REFUNDING BOND,  
SERIES 2020

No. \_\_\_\_\_

\$ \_\_\_\_\_

Interest Rate  
\_\_\_\_\_%

Dated As of  
\_\_\_\_\_, 2020

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Fallon (the "City"), in the State of Nevada (the "State"), for value received hereby promises, solely out of funds available for the purpose as hereinafter set forth, to pay to the registered owner hereof specified above or registered assigns the principal amount specified above or such lesser amount as shall be advanced to the City. The Bond shall bear interest on the principal amount hereof from the date of delivery of the Bond at the rate of interest per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months and subject to adjustment as provided herein) payable on each May 1 and November 1 commencing \_\_\_\_\_ 1, 20\_\_\_\_. The principal of the Bond shall be payable annually on the following dates in the following amounts:

<i>Date</i> <i>(November 1)</i>	<i>Principal Amount</i>
------------------------------------	-------------------------

*Date*  
*(November 1)*

*Principal Amount*

The City Treasurer in Fallon, Nevada is acting as paying agent for the Bond (the “Paying Agent”) and as the City’s Registrar for the Bond (the “Registrar”). Installments of principal and interest on this Bond will be made by electronic funds transfer to the Registered Owner, or otherwise by check or warrant mailed by the Paying Agent on each payment date (or, if such date is not a business day, on the next succeeding business day) to the person in whose name this Bond is registered (the “registered owner”) in the registration records of the City maintained by the Registrar, at the address appearing thereon as of the close of business on the day next preceding such payment date. Alternative means of payment of interest may be used if mutually agreed to by the registered owner and the Paying Agent, as provided in the “2020 Electric Revenue Refunding Bond Ordinance,” adopted and approved by the City Council of the City on July 20, 2020 authorizing the issuance of this Bond (the “Ordinance”). All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or the Registrar.

Capitalized terms used in this Bond, which are not otherwise defined herein shall have the meanings ascribed to such terms in the Ordinance.

This Bond is a duly authorized bond of the City issued in the principal amount of \$\_\_\_\_\_,000 (the “Bond”) issued to defray, in part, the cost of the Refunding Project (as defined in the Ordinance) under the authority of and in full compliance with the constitution and laws of the State.

This Bond is issued pursuant to Nevada Revised Statutes (“NRS”) §§ 350.500 through 350.720, and all laws amendatory thereof, designated in § 350.500 thereof as the Local Government Securities Law (the “Bond Act”); and pursuant to NRS Chapter 348. Pursuant to § 350.628 of the Bond Act, this recital is conclusive evidence of the validity of the Bond and the regularity of its issuance. Pursuant to § 350.710 of the Bond Act, the Bond, its transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to the provisions of Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to the provisions of Chapter 375B of NRS.

This Bond is subject to optional prepayment prior to maturity as provided in the Ordinance and the Certificate of the Clerk/Treasurer.

It is hereby certified and recited that all of the requirements of law have been fully complied with by the proper officers of the City in the issuance of this Bond; and that the total indebtedness of the City, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or by the laws of the State.

Payment of the principal of and interest on this Bond is secured solely by a pledge of the Net Revenues derived by the City from the operation and use of, or otherwise pertaining to, the Electric System of the City.



This Bond is equally and ratably secured by such pledge of the Net Revenues, and such pledge constitutes an irrevocable lien thereon (but not necessarily an exclusive lien), which is on parity with the lien thereon securing the City's other Parity Securities. Additional securities may be issued and made payable from the Net Revenues and having a lien thereon subordinate to or on a parity with such pledge, in each case subject to the conditions of and in accordance with the Ordinance. The City is prohibited from issuing additional securities payable from the Net Revenues with a lien thereon which is senior to the lien securing the Bond and the other outstanding Parity Bonds.

Reference is made to the Ordinance and to the Bond Act for an additional description of the nature and extent of the security for this Bond, the accounts, funds, or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the registered owner of this Bond with respect thereto, the terms and conditions upon which this Bond is issued, and a statement of rights, duties, immunities, and obligations of the City, and other rights and remedies of the owner of this Bond.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance may be amended or otherwise modified by action of the City taken in the manner and subject to the conditions and exceptions prescribed in the Ordinance. The pledge of Net Revenues under the Ordinance may be discharged at or prior to the respective maturities of the installments of principal or prior redemption of the Bond upon the making of provision for the payment thereof on the terms and conditions set forth in the Ordinance.

This Bond shall not be entitled to any benefits under the Ordinance, or be valid or obligatory for any purpose until the registration panel hereon shall have been manually signed on behalf of the Registrar.

[The City has designated the Bond as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.]

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise in respect to the Ordinance or any other instrument pertaining thereto, against any individual member of the Council, or any officer or other agent of the City, past, present or future, either directly or indirectly through the Council or the City, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

**IN WITNESS WHEREOF**, the City of Fallon, Nevada, has caused this Bond to be executed in its name by the manual signature of its Mayor, to be countersigned by the manual signature of its City Treasurer, and attested by the manual signature of its City Clerk and has caused the seal of the City to be reproduced hereon, all as of the \_\_\_ day of August, 2020, i.e., the date of delivery of this Bond.

CITY OF FALLON, NEVADA

(Manual Signature)  
\_\_\_\_\_  
Mayor  
City of Fallon, Nevada

Countersigned:

(SEAL)

Attest:

(Manual Signature)  
\_\_\_\_\_  
City Treasurer  
City of Fallon, Nevada

(Manual Signature)  
\_\_\_\_\_  
City Clerk  
City of Fallon, Nevada

**(End of Form of Bond)**

**(Form of Registration Panel)**

**MANDATORY REGISTRATION FOR PAYMENT  
AS TO PRINCIPAL AND INTEREST**

The within single bond is registered in the office of the Treasurer of City of Fallon, Nevada, as Registrar in the name of the last owner listed below, and the principal amount of the Bond and interest thereon shall be payable only to such owner, all in accordance with the within- mentioned Ordinance.

<u>Date of Registration</u>	<u>Name of Owner</u>	<u>Address of Owner</u>	<u>Signature of Registrar</u>
_____, 2020			_____
_____	_____	_____	_____
_____	_____	_____	_____

**(End of Form of Registration Panel Appended to Bond)**



**(Form of Principal Prepayment Panel on Bond)**

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Bond have been prepaid by City of Fallon, Nevada, in accordance with the terms of the within-mentioned Ordinance.

<u>Date of Prepayment</u>	<u>Due Date of Installments (or portions thereof)</u>	<u>Principal Amount Prepaid</u>	<u>Signature of Paying Agent</u>

**(End of Form of Principal Prepayment Panel on Bond)**

**(Form of Assignment for Bond)**

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and hereby irrevocably constitutes and appoints attorney, to transfer the same on the records kept for registration of the within Bond, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature Guaranteed  
\_\_\_\_\_

Name of Transferee:

\_\_\_\_\_

Address of Transferee:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Social Security or other tax  
identification number of  
Transferee:

\_\_\_\_\_

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

**(End of Form of Assignment for Bond)**

**SECTION 22. Delivery of the Bond; Use of Bond Proceeds.** When the Bond has been duly executed, the Clerk/Treasurer shall deliver it to the Purchaser upon receipt of the agreed purchase price, as stated in the Certificate of the Clerk/Treasurer.

The Clerk/Treasurer shall cause the proceeds of the Bond to be deposited as follows:

A. First, there shall be deposited into the Escrow Account to be held by the Escrow Bank pursuant to the terms of the Escrow Agreement, an amount fully sufficient, together with any other moneys therein (including any monies deposited therein from the debt service fund for the Refunded Bonds) and any initial cash balance remaining uninvested, to buy the Federal Securities designated in the Escrow Agreement for credit to the Escrow Account, to be used solely for the purpose of paying the Bond Requirements of the Refunded Bonds as provided in the Escrow Agreement.

B. Second, the balance of the proceeds of the Bond shall be deposited into the Costs of Issuance Account, a special account to be held under the control of the City hereby created, and shall be applied to the costs of issuing the Bond. After payment of the costs of issuance relating to the Bond, if there is a balance remaining in the Costs of Issuance Account, the remaining balance shall be deposited in the Bond Fund hereinafter created to be used to pay the principal of and interest on the Bond.

**SECTION 23. Use of Investment Gain.** Pursuant to NRS 350.658, and except as may otherwise be required herein, any gain from any investment and any reinvestment of any proceeds of the Bond (other than the Escrow Account) shall be deposited promptly upon the receipt of such gain at any time or from time to time into the Bond Fund hereinafter created, for the payment of the principal of or interest on the Bond or any combination thereof.

**SECTION 24. Tax Covenant.** The City covenants for the benefit of the owner or owners of the Bond that it will not take any action or omit to take any action with respect to the Bond, the proceeds thereof, any other funds of the City or any facilities financed or refinanced with the proceeds of the Bond if such action or omission (i) would cause the interest on the Bond to lose its exclusion from gross income for federal income tax purposes under § 103 of the Tax Code or (ii) would cause interest on the Bond to lose its exclusion from alternative minimum taxable income as defined in § 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under § 56 of the Tax Code in calculating corporate alternative minimum taxable income. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bond until the date on which all obligations of the City in fulfilling the above covenant under the Tax Code have been met.

**SECTION 25. [Reserved].**

**SECTION 26. Payment of Bond.** The City covenants and agrees with each and every owner that the City will make the principal and interest payments on the Bond at the place, on the dates and in the manner specified according to the true intent and meaning thereof.

**SECTION 27. Purchaser Not Responsible.** The validity of the Bond shall not be dependent on nor be affected by the validity or regularity of any proceedings relating to the

Refunding Project, or any part thereof, or to the completion of the Refunding Project. Neither the Purchaser nor any subsequent owner of the Bond shall in any manner be responsible for the application by the City or by any of its officers, agents and employees of the moneys derived from the sale of the Bond or of any other moneys herein designated.

**SECTION 28. Pledge of Net Revenues.** Subject only to the provisions of this Ordinance permitting the application thereof for or to the purposes and on the terms and conditions set forth herein, there are hereby additionally pledged to secure the payment of principal of and interest on the Bond in accordance with the provisions of this Ordinance, all of the Net Revenues. This pledge shall be valid and binding from and after the date of the delivery to the Purchaser of the Bond. The Net Revenues, as received by the City shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing or further act; and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City (except as herein otherwise provided) irrespective of whether such parties have notice thereof. The lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any and all other obligations and liabilities of the City payable from the Net Revenues, except for any Outstanding Parity Securities as herein provided. The lien of this pledge for the Bond and any Parity Securities shall be equitably and ratably secured by the pledge of Net Revenues hereunder, and the Bond and any Parity Securities are not entitled to any priority one over the other in the application of Net Revenues.

**SECTION 29. Revenue Fund.** So long as the Bond shall be Outstanding, the entire Gross Revenues, upon their receipt from time to time by the City, shall be set aside and credited immediately to a separate account heretofore created in the treasury of the City, reestablished hereby, and designated as the "City of Fallon Electric System Enterprise Fund" (the "Revenue Fund"). So long as any of the Bond shall be Outstanding, the Revenue Fund shall be administered and the moneys on deposit therein shall be applied in the order of priority specified in Sections 30 through 34.

**SECTION 30. Operation and Maintenance Account.** First, from time to time there shall be transferred and credited to a separate account heretofore created and reestablished hereby in the treasury of the City and designated as the "City of Fallon Electric System Operation and Maintenance Account" (the "Operation and Maintenance Account"), moneys sufficient to pay Operation and Maintenance Expenses, as budgeted and approved in accordance with law, as such expenses become due and payable, and thereupon they shall be promptly paid. Any surplus remaining in the Operation and Maintenance Account at the end of the Fiscal Year of the City and not needed for Operation and Maintenance Expenses shall be transferred back to the Revenue Fund.

**SECTION 31. Parity Bond Fund.** Second, from any moneys thereafter remaining in the Revenue Fund and concurrent with transfers to the Bond Fund and any required reserve funds or accounts created with respect to the Bond and any Parity Securities, there shall be transferred and credited to the Bond Fund monthly, commencing on the first day of the month immediately succeeding the delivery date of the Bond, an amount in substantially equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installments of principal and interest on the Outstanding Bond or Parity Securities, as the case may be. The money credited to the Bond Fund shall be used to pay the Bond Requirements of the Bond as such Bond Requirements become due.



**SECTION 32. Rebate Account.** Third, after the aforementioned deposits, and from the Net Revenues there shall be transferred and credited to a special and separate account hereby created and designated as the “City of Fallon, Electric System Revenue Refunding Bond, Series 2020, Rebate Account” (the “Rebate Account”) and to any other fund or account established for payment of amounts due the United States under Section 148(f) of the Tax Code in connection with the Parity Securities in such amounts as are required to be deposited therein to meet the City’s obligations under the covenant contained in Section 24 hereof, in accordance with Section 148(f) of the Tax Code. Such deposits shall be made at such times as are required by Section 148(f) of the Tax Code and such covenant and amounts in the Rebate Account shall be used for the purpose of making the payments to the United States required by such covenant and Section 148(f) of the Tax Code. Any amounts in the Rebate Account in excess of those required to be on deposit therein may be withdrawn therefrom and deposited into the Revenue Fund.

**SECTION 33. Payment of Subordinate Securities.** Fourth, any moneys thereafter remaining in the Revenue Fund may be used by the City for the payment of the principal of and interest on with respect to, Subordinate Securities; and may be used to create reasonable reserves for such securities.

**SECTION 34. Surplus Revenues.** Fifth, any moneys thereafter remaining in the Revenue Fund may be used by the City at the end of any Fiscal Year of the City, or whenever there shall have been credited all amounts required to be deposited in the respective foregoing separate accounts for all of that Fiscal Year, for any lawful purposes of the City, as the Council may from time to time determine, including, without limitation, for the creation of operation and maintenance reserves and capital reserves, the payment of capital costs and major maintenance costs of the Electric System, to pay any other obligations pertaining to the Electric System or otherwise.

**SECTION 35. Termination of Deposits.** No payment need be made into the Bond Fund if the amounts in that fund total a sum at least equal to the entire amount of the Outstanding Bond as to all Bond Requirements to their respective maturities both accrued and not accrued, in which case moneys in such fund in an amount, except for any interest or other gain to accrue from any investment of moneys in Federal Securities from the time of any such investment to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Bond Requirements, shall be used, together with any such gain from such investments, solely to pay such Bond Requirements as the same become due.

**SECTION 36. Equal Security.** The Bond and any Parity Securities from time to time outstanding shall be equally and ratably secured by the pledge of Net Revenues hereunder and shall not be entitled to any priority one over the other in the application of the Net Revenues regardless of the time or times of the issuance of the Bond and any Parity Securities.

**SECTION 37. Defraying Delinquencies.** If at any time the City shall for any reason fail to pay into the Bond Fund or the Rebate Account the full amount above stipulated from the Net Revenues, then an amount shall be paid first into the Bond Fund and second into the Rebate Account at such time equal to the difference between that paid from the Net Revenues and the full amount so stipulated. If the Bond or other Parity Securities are outstanding, and if the proceedings authorizing issuance of those securities require the replacement of moneys in a bond fund, reserve fund or rebate account therefor, then the moneys replaced in such funds shall be replaced on a pro rata basis related to the principal amount of the then Outstanding Bond and the then Outstanding Parity Securities, as

moneys become available therefor, first into all of such bond and reserve funds and second into all such rebate accounts.

**SECTION 38. Conditions to Issuance of Additional Parity Securities.**

A. Nothing herein permits the issuance by the City of bonds or other obligations secured by a lien on the Net Revenues which is superior to the lien thereon securing the Bond.

B. Nothing herein, except as expressly hereinafter provided, shall prevent the issuance by the City of Parity Securities payable from Net Revenues and constituting a lien thereon on a parity with the lien thereon of the Bond, provided, however, that the following are express conditions to the authorization and issuance of any such Parity Securities:

1. At the time of adoption of the instrument authorizing the issuance of the Parity Securities, the City shall not be in default in the payment of principal of or interest on the Bond.

2. The Net Revenues (subject to adjustments as hereinafter provided) projected by the City Clerk/Treasurer or an independent accountant or consulting engineer to be derived in the Fiscal Year following the issuance of such Parity Securities, will be not less than an amount equal to 125% of the principal and interest requirements (to be paid during that Fiscal Year) of the Outstanding Bond, the Outstanding Parity Securities and the Parity Securities proposed to be issued (excluding any reserves therefor).

C. In any determination of whether or not Parity Securities may be issued in accordance with the applicable foregoing earnings test, consideration shall be given to any probable estimated increase or reduction in Operation and Maintenance Expenses that will result from the expenditure of the funds proposed to be derived from the issuance and sale of the Parity Securities.

D. In any determination of whether or not Parity Securities may be issued in accordance with the applicable foregoing earnings test, the respective annual principal (or Redemption Price) and interest requirements shall be reduced to the extent such requirements are scheduled to be paid with moneys held in trust or in escrow for that purpose by any Trust Bank within or without the State, including the known minimum yield from any investment in Federal Securities.

E. A written certificate or written opinion by the City Clerk/Treasurer or an independent accountant or consulting engineer that the applicable foregoing earnings test is met shall be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver Parity Securities.

F. In connection with the authorization of any such Parity Securities, the Council may on behalf of the City adopt any additional covenants or agreements with the holders of such Parity Securities; provided, however, that no such covenant or agreement may be in conflict with the covenants and agreements of the City herein and no such covenant or agreement may be materially adverse to the interests of the holders of the Bond. Any finding of the Council to the effect that the foregoing requirements are met shall, if made in good faith, conclusively establish that the foregoing requirements have been met for purposes of this Ordinance.

**SECTION 39. Subordinate Securities Payable From Net Revenues.** Nothing herein, except as expressly hereinafter provided, shall prevent the City from issuing additional securities payable from Net Revenues and constituting a lien thereon subordinate to the lien thereon of the Bond and any Outstanding Parity Securities.

**SECTION 40. Issuance of Refunding Bonds.** At any time after the Bond, or any part thereof, is issued and remains Outstanding, if the Council shall find it desirable to refund the Outstanding Bond or other Outstanding securities payable from and constituting a lien upon the Net Revenues, the Bond or such other securities, or any part thereof, may be refunded only if the Bond or other securities at the time or times of their required surrender for their payment shall then mature or shall be then callable for prior redemption for the purpose of refunding them at the Issuer's option upon proper call, unless the holder or holders of all such Outstanding securities consent to such surrender and payment, regardless of whether the priority of the lien for the payment of any refunding securities on Net Revenues is changed.

**SECTION 41. Operation of the System.** The City shall at all times operate the Electric System properly and in a sound and economical manner and shall maintain, preserve and keep the Electric System properly, or cause the same so to be maintained, preserved and kept, in good repair, working order and condition. The City also shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the operation of the Electric System may be properly and advantageously conducted in conformity with standards customarily followed by municipalities operating Electric Systems of like size and character.

Except for the use of the Electric System or services pertaining thereto in the normal course of business, neither all nor a substantial part of the Electric System shall be sold, leased, mortgaged, pledged, encumbered, alienated or otherwise disposed of until all of the Bond has been paid in full, or unless provision has been made therefor as hereinafter provided.

**SECTION 42. Payment of Taxes, Etc.** The City shall pay or cause to be paid all taxes, assessments and other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the Electric System or any part thereof, or upon any portion of the Net Revenues, when the same shall become due. The City shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Electric System or any part thereof, except for any period during which the validity of the same is being contested in good faith by proper legal proceedings. The City shall not create or suffer to be created any lien or charge on the Electric System or any part thereof, or upon the Net Revenues, except the pledge and lien created by this Ordinance for the payment of the Bond and any Outstanding Parity Securities or Subordinate Securities issued in accordance herewith, and except as herein otherwise permitted. The City shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge within 60 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Electric System or any part thereof, or upon the Net Revenues. Nothing herein contained requires the City to pay or cause to be discharged or to make provision for any such tax, assessment, lien, charge or demand before the time when payment thereon shall be due, or so long as the validity thereof shall be contested in good faith by appropriate legal proceedings.

**SECTION 43. No Competing Facilities.** The City shall neither construct nor permit to be constructed other facilities or structures to be operated by the City separate from the Electric System

and competing for Net Revenues otherwise available for the payment of the Bond or any other securities payable from Net Revenues; provided, however, that nothing herein contained shall impair the police powers of the City or otherwise cause the City to violate any applicable law.

**SECTION 44. Rate Covenant.** The City shall charge against users or against purchasers of services or commodities pertaining to the Electric System such fees, rates and other charges as shall be sufficient to produce Gross Revenues annually which, together with any other funds available therefor, will be in each Fiscal Year of the City at least equal to the sum of:

A. an amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year;

B. an amount equal to 125% of the debt service due in such Fiscal Year on the then Outstanding Bond, any Outstanding Parity Securities and 100% of all debt service payable from the Net Revenues; and

C. any other amounts payable from the Net Revenues and pertaining to the Electric System, including, without limitation, debt service on any Subordinate Securities and any other securities pertaining to the Electric System, operation and maintenance reserves, capital reserves and prior deficiencies pertaining to any account relating to Gross Revenues.

The foregoing rate covenant is subject to compliance by the City with any legislation of the United States of America, the State or other governmental body, or any regulation or other action taken by the United States, the State or any agency or political subdivision of the State pursuant to such legislation, in the exercise of the police power thereof for the public welfare, which legislation, regulation or action limits or otherwise inhibits the amounts of fees, rates and other charges subject to collection by the City for the use of or otherwise pertaining to, and all services rendered by, the Electric System.

Subject to the foregoing, the City shall cause all fees, rates and other charges pertaining to the Electric System to be collected as soon as reasonable and shall provide methods of collection and penalties to the end that the Gross Revenues shall be adequate to meet the requirements hereof.

**SECTION 45. Accounts and Records.** So long as any portion of the Bond remains Outstanding, proper records of record and account shall be kept by the City, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Electric System and to all moneys pertaining thereto, including, without limitation, the Gross Revenues.

**SECTION 46. Defeasance.** When all Bond Requirements of the Bond have been duly paid, the pledge and lien and all obligations hereunder as to that Bond shall thereby be discharged and the Bond shall no longer be deemed to be outstanding within the meaning of this Ordinance. There shall be deemed to be due payment of any Outstanding Bond when the City has placed in escrow or in trust with a trust bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the Bond as the same become due to the final maturity of the Bond. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed in accordance with a schedule



established and agreed upon between the City and the bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as so needed to meet the schedule. For the purpose of this Section, the term "Federal Securities" shall include only Federal Securities as defined in NRS 350.522 which are not callable for redemption prior to their maturities except at the option of the holder thereof. When such defeasance is accomplished, the Paying Agent shall mail written notice of the defeasance to the registered owner of the Bond at the address last shown on the registration records for the Bond maintained by the Registrar.

**SECTION 47. Bondowner's Remedies.** Each owner of the Bond shall be entitled to all of the privileges, rights and remedies provided herein, the Bond Act, the Supplemental Bond Act and this Ordinance, and as otherwise provided or permitted at law or in equity or by other statute, but subject to the provisions herein concerning the Net Revenues and the proceeds of the Bond. The Bond is expressly not subject to acceleration upon an event of default.

**SECTION 48. Right to Enforce Payment.** Nothing in this article affects or impairs the right of any owner of the Bond issued hereunder to enforce the payment of the Bond Requirements of the Bond or the obligation of the City to pay the Bond Requirements of each Bond to the owner thereof at the time and the place expressed in the Bond.

**SECTION 49. Events of Default.** Each of the following events is hereby declared an "Event of Default":

A. Nonpayment of Principal. Payment of the principal of the Bond, shall not be made when the same shall become due and payable, either at maturity or otherwise;

B. Nonpayment of Interest. Payment of any installment of interest shall not be made when the same becomes due and payable;

C. Incapable to Perform. The City shall for any reason be rendered incapable of fulfilling its obligations hereunder;

D. Nonperformance of Duties. The City shall have failed to carry out and, to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Net Revenues, or otherwise, including, without limitation, this Ordinance, and such failure shall continue for sixty (60) days after receipt of notice from the owners of ten percent (10%) in principal amount of the Bond then Outstanding.

E. Appointment of Receiver. An order or decree shall be entered by a court of competent jurisdiction with the consent or acquiescence of the City appointing a receiver or receivers for the Net Revenues and any other moneys subject to the lien to secure the payment of the Bond, or if an order or decree having been entered without the consent or acquiescence of the City, shall not be vacated or discharged or stayed on appeal within sixty (60) days after entry; and

F. Default of Any Provision. The City shall make default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bond or in this Ordinance on its part to be performed, and if such

default shall continue for sixty (60) days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by the owners of ten percent (10%) in principal amount of the Bond then Outstanding.

**SECTION 50. Remedies for Default.** Upon the happening and continuance of any of the Events of Default described in the preceding section, then and in every case the owner or owners of not less than a majority in principal amount of the Bond then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the City and its agents, officers and employees to protect and to enforce the rights of any owner of Bond under this Ordinance by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award of execution of any power herein granted for the enforcement of any proper, legal or equitable remedy as the owner or owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of the Bond, or to require the City to act as if it were the trustee of an express trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the Bond and any Parity Securities then Outstanding.

**SECTION 51. Receiver's Rights and Privileges.** Any receiver appointed in any proceedings to protect the rights of such owners hereunder, the consent of any such appointment being hereby expressly granted by the City, may collect, receive and apply all Net Revenues arising after the appointment of such receiver in the same manner as the City itself might do.

**SECTION 52. Rights and Privileges Cumulative.** The failure of any owner of any outstanding Bond to proceed in any manner herein provided shall not relieve the City, its Governing Body, or any of its officers, agents or employees of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of any such owner is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any of them shall not be deemed a waiver of any other right or privilege thereof.

**SECTION 53. Prejudicial Action Unnecessary.** Nothing in this article requires the City to proceed as provided herein if the Council determines in good faith and without any abuse of its discretion that if the City so proceeds it is more likely than not to incur a net loss rather than a net gain or such action is otherwise likely to affect materially and prejudicially the owners of the outstanding Bond and of any Outstanding securities on a parity with the Bond.

**SECTION 54. Replacement of Registrar or Paying Agent.** If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the Council shall reasonably determine that it is in the best interests of the City to approve a successor Registrar or Paying Agent, upon notice mailed to the owner of the Bond at his or her address last shown on the registration records, the Council may appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same institution or person serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution or person serve as both Registrar and Paying Agent.

Any corporation or association into which the Registrar or Paying Agent may be converted or merged, or with which they may be consolidated, or to which they may sell or transfer their corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer, to which they are a party, shall be and become the successor Registrar or Paving Agent under this Resolution, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything in this Resolution to the contrary notwithstanding.

**SECTION 55. Amendments.** This Ordinance may be amended or supplemented by instruments adopted by the City, without receipt by the City of any additional consideration, but with the written consent of the owners of at least a majority in aggregate principal amount of the Bond authorized by this Ordinance and Outstanding at the time of the adoption of the amendatory or supplemental instrument, excluding bonds which may then be held or owned for the account of the City, but including such refunding securities as may be issued for the purpose of refunding any of the Bond if the refunding securities are not owned by the City. No such instrument shall permit:

A. A change in the maturity or in the terms of redemption of the principal or any installment thereof of the Outstanding Bond or any installment of interest thereon;

B. A reduction in the principal amount of the Bond, the rate of interest thereon, without the consent of the owner of the Bond;

C. A reduction of the principal amount or percentages or otherwise affecting the description of the portion of the Bond of which the consent of the owners thereof is required for any modification or amendment;

D. The establishment of priorities as between the Bond issued and Outstanding under the provisions of this Ordinance; or

E. The modification of, or other action which materially and prejudicially affecting the rights or privileges of the owners of less than all of the Bond then Outstanding.

Whenever the City proposes to amend or modify this Ordinance under the provisions of this Section, it shall cause notice of the proposed amendment to be given not later than 30 days prior to the date of the proposed enactment of the amendment by mailing to the owners thereof. The notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory instrument is on file in the office of the City Clerk/Treasurer for public inspection.

Whenever at any time within one year from the date of the mailing of such notice there shall be filed in the office of the City Clerk/Treasurer an instrument or instruments executed by the owners of a majority of the Bond which instrument or instruments shall refer to the proposed amendatory instrument described in the notice and shall specifically consent to and approve the adoption of the instrument, thereupon, but not otherwise, the City may adopt the amendatory instrument and the instrument shall become effective.

The Bond authenticated and delivered after the effective date of any action taken as in this Article provided may bear a notation by endorsement or otherwise in form approved by the City as to the action.

**SECTION 56. Delegated Powers.** The officers of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limitation:

- A. The printing of the Bond;
- B. The execution of such certificates as may be reasonably required by the Purchaser relating to the signing of the Bond, the tenure and identity of the officials of the City, the exclusion of interest on the Bond from gross income for federal income tax purposes to the extent provided herein, the delivery of the Bond and the receipt of the Bond purchase price, if it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity of the Bond, and the completeness and accuracy of any information provided the Purchaser in connection with the Bond as of the date of delivery of the Bond;
- C. The execution of the Certificate of the City Clerk/Treasurer and the Escrow Agreement; and
- D. The sale and issuance of the Bond pursuant to the provisions of this Ordinance.

**SECTION 57. Ordinance Irrepealable.** After any of the Bond is issued, this Ordinance shall constitute an irrevocable contract between the City and the owner or owners of the Bond; and this Ordinance shall be and shall remain irrepealable until the Bond, as to all Bond Requirements, shall be fully paid, canceled and discharged as herein provided.

**SECTION 58. Repealer.** All ordinances, resolutions, bylaws and orders, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance, resolution, bylaw or order, or part hereof, heretofore repealed.

**SECTION 59. Publication and Effective Date.** The Council has expressed in the preambles to this Ordinance that it pertains to the sale, issuance, or payment of the Bond, and that this instrument may accordingly be adopted as if an emergency now exists. This Ordinance shall become effective after its publication by its title only, together with a statement that typewritten copies of this Ordinance are available for inspection by interested parties at the office of the City Clerk/Treasurer, such publication to be made in a newspaper or newspapers published in Churchill County and which is of general circulation in the City and such publication to be in substantially the following form:



(Form of Publication of Adoption of Ordinance)

BILL NO. \_\_\_\_

ORDINANCE NO. \_\_\_\_

**AN ORDINANCE DESIGNATED BY THE SHORT TITLE  
"2020 ELECTRIC REVENUE REFUNDING BOND  
ORDINANCE"; PROVIDING FOR THE ISSUANCE BY CITY  
OF FALLON, NEVADA OF ITS ELECTRIC SYSTEM  
REVENUE REFUNDING BOND, SERIES 2020; PROVIDING  
THE FORM, TERMS AND CONDITIONS OF THE BOND,  
THE USE OF ITS PROCEEDS AND PROVIDING FOR THE  
SALE THEREOF; SECURING ITS PAYMENT BY A  
PLEDGE OF REVENUES DERIVED FROM THE ELECTRIC  
SYSTEM OF THE CITY; RATIFYING ACTION  
PREVIOUSLY TAKEN TOWARD THE ISSUANCE OF THE  
BOND; PROVIDING FOR ADOPTION AS IF AN  
EMERGENCY EXISTS, AND PROVIDING OTHER  
MATTERS RELATING THERETO.**

PUBLIC NOTICE IS HEREBY GIVEN that the above entitled Ordinance was proposed by Councilman \_\_\_\_\_ at the regular meeting of the City of Fallon City Council held on July 20, 2020, and was passed and adopted at the regular meeting of the City of Fallon City Council held on July 20, 2020, by the following vote of the City Council:

Those Voting Aye:

Kelly Frost  
Karla Kent  
James Richardson

Those Voting Nay:

\_\_\_\_\_  
\_\_\_\_\_

Those Absent:

\_\_\_\_\_  
\_\_\_\_\_

This Ordinance shall be in full force and effect from and after the \_\_\_\_ day of July, 2020.

IN WITNESS WHEREOF, the City Council of the City of Fallon, Nevada has caused this Ordinance to be published by title only.

DATED this July 20, 2020.

/s/ Ken Tedford Jr.  
Mayor

Attest:

/s/ Sean Richardson  
City Clerk/Treasurer

(End of Form of Publication)

**SECTION 60. Severability.** If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

(SEAL)

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Mayor

Attest:

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City Clerk  
City of Fallon, Nevada

This Ordinance shall be force and effect from and after the \_\_\_\_ day of July, 2020.

STATE OF NEVADA            )  
  ) ss.  
COUNTY OF CHURCHILL    )

I, Sean Richardson, the duly chosen, qualified and acting City Clerk/Treasurer of City of Fallon, Nevada (the "City") do hereby certify:

1. The foregoing pages are a true, perfect and a complete copy of an ordinance and adopted by the Council at a lawful meeting of the Council held on July 20, 2020, as recorded in the official record book of the proceedings of the City kept in my office.

2. The members of the Council voted on the introduction of the ordinance on July 20, 2020 as follows:

Those Voting Aye:           Kelly Frost  
                                      Karla Kent  
                                      James Richardson

Those Voting Nay:           \_\_\_\_\_

Those Absent:                \_\_\_\_\_

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

4. All members of the Council were given due and proper notice of the meeting. Pursuant to NRS 241.020 and Governor Sisolak's Declaration of Emergency Directive 006 entered on March 22, 2020, and extended by Emergency Directive 016 entered on April 29, 2020, by Emergency Directive 018 entered on May 7, 2020, by Emergency Directive 021 entered on May 28, 2020, and by Emergency Directive 026 entered on June 29, 2020, written notice of the meeting was given not later than 9:00 a.m. on the third working day before the meeting including in the notice the time, place, location, and agenda of the meeting:

(a) By posting a copy of the notice at least three working days before the meeting on the City's website; at the principal office of the Council, or if there is no principal office, at the building in which the meeting is to be held; and on the State of Nevada public notice website;

and

(b) By mailing a copy of the notice 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.

5. Upon request, the Council provides at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance or regulation which will be discussed at the public meeting, and any other supporting materials provided to the Council for an item on the agenda, except for certain confidential materials and materials pertaining to closed meetings, as provided by law.

6. A copy of the notice so given of the meeting of the Council held on July 20, 2020 is attached to this certificate as Exhibit A.

7. A copy of the affidavit of publication of the Ordinance by title after its adoption is attached to this certificate as Exhibit B.

**IN WITNESS WHEREOF**, I have hereunto set my hand this July 20, 2020.

(SEAL)

\_\_\_\_\_  
Sean Richardson, City Clerk/Treasurer



**EXHIBIT A**

**(Attach Copy of Notice of Meeting of July 20, 2020)**

**EXHIBIT B**

**(Attach Affidavit of Publication of Notice of Adoption of an Ordinance)**

July 20, 2020

## Agenda Item 8

Public Hearing of Bill No. 784: An Ordinance Designated by the Short Title "2020 Electric Revenue Refunding Bond Ordinance"; Providing for the Issuance by City of Fallon, Nevada of its Electric System Revenue Refunding Bond, Series 2020; Providing the Form, Terms and Conditions of the Bond, the Use of its Proceeds and Providing for the Sale Thereof; Securing its Payment by a Pledge of Revenues Derived from the Electric System of the City; Ratifying Action Previously Taken Toward the Issuance of the Bond; Providing for Adoption as if an Emergency Exists, and Providing Other Matters Relating Thereto. **(For discussion only)**

**CITY OF FALLON  
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 8

DATE SUBMITTED: July 14, 2020

AGENDA DATE REQUESTED: July 20, 2020

TO: The Honorable City Council

FROM: Robert Erquiaga, Legal and Administrative Director  
Sean Richardson, City Clerk/Treasurer

SUBJECT TITLE: Public Hearing on Bill No. 784: An Ordinance Designated by the Short Title "2020 Electric Revenue Refunding Bond Ordinance"; Providing for the Issuance by City of Fallon, Nevada of its Electric System Revenue Refunding Bond, Series 2020; Providing the Form, Terms and Conditions of the Bond, the Use of its Proceeds and Providing for the Sale Thereof; Securing its Payment by a Pledge of Revenues Derived from the Electric System of the City; Ratifying Action Previously Taken Toward the Issuance of the Bond; Providing for Adoption as if an Emergency Exists, and Providing Other Matters Relating Thereto. (For discussion only)

TYPE OF ACTION REQUESTED: (Check One)

<input type="checkbox"/> Resolution	<input checked="" type="checkbox"/> Ordinance
<input type="checkbox"/> Formal Action/Motion	<input type="checkbox"/> Other

RECOMMENDED COUNCIL ACTION: None.

DISCUSSION: The proposed Ordinance will be read by title and summary to the City Council.  
**This agenda item is for discussion only.**

FISCAL IMPACT: Total savings over the life of the loan is estimated to be \$485,335.

FUNDING SOURCE: Electric Enterprise Fund.

PREPARED BY: Sean Richardson, City Clerk/Treasurer  
REVIEWED BY: Robert Erquiaga, Legal and Administrative Director

DATE: July 14, 2020

Summary: An ordinance authorizing the issuance of the City of Fallon, Nevada Electric System Revenue Refunding Bond, Series 2020 and providing other matters related thereto.

**BILL NO. 5**  
**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE DESIGNATED BY THE SHORT TITLE “2020 ELECTRIC REVENUE REFUNDING BOND ORDINANCE”; PROVIDING FOR THE ISSUANCE BY CITY OF FALLON, NEVADA OF ITS ELECTRIC SYSTEM REVENUE REFUNDING BOND, SERIES 2020; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BOND, THE USE OF ITS PROCEEDS AND PROVIDING FOR THE SALE THEREOF; SECURING ITS PAYMENT BY A PLEDGE OF REVENUES DERIVED FROM THE ELECTRIC SYSTEM OF THE CITY; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD THE ISSUANCE OF THE BOND; PROVIDING FOR ADOPTION AS IF AN EMERGENCY EXISTS, AND PROVIDING OTHER MATTERS RELATING THERETO.**

**WHEREAS**, the City of Fallon in the State of Nevada (the “City” and the “State,” respectively) is a political subdivision of the State duly organized and consolidated as a city under the provisions of chapter 266 of the Nevada Revised Statutes (“NRS”) and the general laws of the State;

**WHEREAS**, the City now owns and operates a municipal electric system (the “Electric System”);

**WHEREAS**, the City has previously issued its “City of Fallon, Nevada Electric System Revenue Bond, Series 2017” (the “2017 Bond”) in the aggregate principal amount of \$6,333,000;

**WHEREAS**, the 2017 Bond is secured by a lien on the Net Revenues (as defined below) of the Electric System;

**WHEREAS**, other than the 2017 Bond, the City has no outstanding obligations which have a lien on the Net Revenues of the Electric System;

**WHEREAS**, the installments of principal on the 2017 Bond coming due on and after November 1, 2020 are subject to redemption prior to maturity at the option of the City, in whole but not in part, on any payment date (commencing on November 1, 2017) at a price equal to the principal amount so redeemed plus accrued interest thereon to the redemption date;

**WHEREAS**, pursuant to the provisions of NRS Sections 350.500 through 350.720, and all laws amendatory thereof, cited in Section 350.500 thereof by the short title “Local Government Securities Law” (the “Bond Act”), the City is authorized to issue bonds in order to refund, pay and discharge certain outstanding bonds of the City for the purpose of reducing interest rates and effecting other economies;

**WHEREAS**, the Council hereby determines that it is in the best interests of the City and the inhabits thereof to issue its “City of Fallon, Nevada Electric System Revenue Refunding Bond, Series



2020” (the “Bond”) in the aggregate principal amount set forth in the Certificate of the Clerk/Treasurer of the City dated on or before the date of delivery of the Bond (the “Certificate of the Clerk/Treasurer”), but not to exceed \$5,650,000, to refund, pay and discharge the portion of the outstanding the 2017 Bond designated in the Certificate of the Clerk/Treasurer, if any (the “Refunded Bonds”) and pay the costs associated with the issuance of the Bond (collectively, the “Refunding Project”);

**WHEREAS**, the Council has previously authorized and hereby does authorize the Clerk/Treasurer of the City (the “Clerk/Treasurer”) to solicit bids for the Bond and accept a binding bid for the Bond from the best bidder therefor (the “Purchaser”);

**WHEREAS**, after negotiation with the Purchaser for the sale of the Bond, the Clerk/Treasurer is hereby authorized to accept a binding offer from the Purchaser for the Bond, the Bond to bear interest at the variable or fixed rate or rates per annum provided in the Bond purchase proposal submitted by the Purchaser (the “Bond Purchase Proposal”), such rate or rates not to exceed 3% over the Index of Revenue Bonds most recently published in *The Bond Buyer* prior to the time the negotiated offer was accepted for the Bond (calculated on the basis of a 360-day year of twelve 30-day months), at a price equal to the principal amount thereof plus a premium or less a discount not to exceed 9 percent of the principal amount of the Bond, all as specified by the City Treasurer in the Certificate of the City Treasurer; and

**WHEREAS**, the Council hereby elects to have the provisions of Chapter 348 of NRS (the “Supplemental Bond Act”) apply to the Bond;

**WHEREAS**, the Council is therefore authorized by the Bond Act, without any further preliminaries:

A. To commence the Refunding Project;

B. To issue and sell the Bond in the maximum principal amount of \$5,650,000;

and

C. To exercise the incidental powers provided in the Bond Act in connection with the powers authorized therein;

**WHEREAS**, the Council has determined and does hereby declare that each of the limitations and other conditions to the issuance of the Bond in the Bond Act, and in any other relevant act of the State or the Federal Government, has been met; and pursuant to Section 350.708 of the Bond Act, this determination of the Council that the limitations in the Bond Act have been met shall be conclusive in the absence of fraud or arbitrary or gross abuse of discretion; and

**WHEREAS**, the Council has determined and does hereby declare:

A. This Ordinance pertains to the sale, issuance and payment of the Bond;

B. Such declaration shall be conclusive in the absence of fraud or gross abuse of discretion in accordance with the provisions of Subsection 2 of NRS 350.579; and

C. This Ordinance may accordingly be adopted as if an emergency now exists by an affirmative vote of all of the voting members of the Council (excluding from any such computation any vacancy on the Council and any member thereof who may vote only to break a tie vote), and this

Ordinance may become effective at any time when an emergency ordinance of the City may go into effect.

**NOW, THEREFORE, THE CITY COUNCIL OF CITY OF FALLON DOES ORDAIN:**

**SECTION 1. Short Title.** This Ordinance shall be known and may be cited as the “2020 Electric System Revenue Refunding Bond Ordinance.”

**SECTION 2. Definitions.** The terms in this section and in the preambles hereof defined for all purposes of this Ordinance and of any instrument amendatory hereof or supplemental hereto, and of any other instrument or any other document relating hereto, except where the context by clear implication otherwise requires, shall have the meanings in this section and in said preambles specified:

**“Banking Institution”** means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation.

**“Bond Requirements”** means the principal of, the interest on and any prior redemption premiums due in connection with the Bond, Parity Securities, as appropriate, as such principal, interest and premiums become due at maturity or on a Redemption Date, or otherwise.

**“Bond Year”** means the 12 month period commencing on May 2 of a calendar year and ending on May 1 of the following calendar year.

**“Certificate of the City Clerk/Treasurer”** means the certificate executed by the City Clerk/Treasurer of the City on or before the date of closing on the Bond.

**“Electric System”** means the Electric System of the City, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the City through purchase, construction or otherwise, and used in connection with such system of the City, and in any way pertaining thereto, whether or not located within or without or both within and without the boundaries of the City, including, without limitation, machinery, apparatus, structures, buildings and related or appurtenant furniture, fixtures and other equipment, as such system is from time to time extended, bettered or otherwise improved, or any combination thereof.

**“Escrow Account”** means the “City of Fallon, Nevada, Electric System Revenue Refunding Bonds, Series 2020 Escrow Account” created herein and held by the Escrow Bank.

**“Escrow Agreement”** means the “City of Fallon, Nevada, Electric System Revenue Refunding Bonds, Series 2020 Escrow Agreement” by and between the City and the Escrow Bank relating to the Refunded Bonds.

**“Escrow Bank”** means The Bank of New York Mellon Trust Company, N.A.

**“Federal Government”** means the United States, or any agency, instrumentality or corporation thereof.

**“Federal Securities”** means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States.

**“Fiscal Year”** means the 12 months commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year; but if the Nevada Legislature changes the statutory fiscal year relating to the City, the Fiscal Year shall conform to such modified statutory fiscal year from the time of each such notification, if any.

**“Gross Revenues”** means all income and revenues derived directly or indirectly by the City from the operation and use and otherwise pertaining to the Electric System or any part thereof.

**“Net Revenues”** means the Gross Revenues remaining after the deduction of Operation and Maintenance Expenses.

**“Operation and Maintenance Expenses”** means all reasonable and necessary current expenses of the City calculated in accordance with GAAP, paid or accrued, of operating, maintaining and repairing the Electric System, including, without limitation:

- (a) engineering, auditing, reporting, legal and other overhead expenses relating to the administration, operation and maintenance of the Electric System;
- (b) fidelity bond and property and liability insurance premiums pertaining to the Electric System or a reasonably allocable share of a premium of any blanket bond or policy pertaining to the Electric System;
- (c) payments to pension, retirement, health and hospitalization funds, and other insurance and to any self-insurance fund as insurance premiums not in excess of such premiums which would otherwise be required for such insurance;
- (d) any general taxes, assessments, excise taxes, or other charges which may be lawfully imposed upon the City, the Electric System, revenues therefrom or the City’s income from or operations of any properties under its control and pertaining to the Electric System, or any privilege in connection with the Electric System or its operations; provided that for purposes of this subparagraph (d), taxes, assessments, excise taxes, or other charges shall not include payments in lieu of taxes or other similar payments to the City general fund or other City fund;
- (e) the reasonable charges of any Paying Agent or Registrar and any depository bank pertaining to the Bond or any other securities payable from Gross Revenues or otherwise pertaining to the Electric System;
- (f) contractual services, professional services, salaries, other administrative expenses and costs of materials, supplies, repairs and labor pertaining to the Electric System or to the issuance of the Bond, or any other securities relating to the Electric System, including, without limitation, the expenses and compensation of any receiver or other fiduciary under the Bond Act;
- (g) the costs incurred by the Council in the collection and any refunds of all or any part of Gross Revenues;
- (h) any costs of utility services furnished to the Electric System;
- (i) any lawful refunds of any Gross Revenues; and

(j) all other administrative, general and commercial expenses pertaining to the Electric System;

but excluding:

(i) any general fund or other City fund transfers from the Revenue Fund;

(ii) any allowance for depreciation;

(iii) any costs of extensions, enlargements, betterments and other improvements, or any combination thereof;

(iv) any reserves for major capital replacements, other than normal repairs;

(v) any reserves for operation, maintenance or repair of the Electric System;

(vi) any allowance for the redemption of the Bond or other security or the payment of any interest thereon or any prior redemption premium due in connection therewith;

(vii) any liabilities incurred in the acquisition or improvement of any properties comprising any project or any existing facilities, or any combination thereof, pertaining to the Electric System, or otherwise; and

(viii) any liabilities imposed on the City for any grounds of legal liability not based on contract, including, without limitation, negligence in the operation of the Electric System.

**“Outstanding”** when used with reference to the Bond or any other designated securities payable from Net Revenues and as of any particular date means all of the Bond or other securities in any manner theretofore and thereupon being executed and delivered:

(a) Except the Bond or other security canceled by the City, the Paying Agent or otherwise on the City’s behalf, at or before such date;

(b) Except the Bond or other security for the payment or the redemption of which moneys at least equal to its Bond Requirements as defined herein to the date of maturity or to any Redemption Date shall have theretofore been deposited with a trust bank in escrow or in trust for that purpose, as provided in Section 46 hereof; and

(c) Except the Bond or other security in lieu of or in substitution for which another Bond or other security shall have been executed and delivered.

**“Parity Securities”** means securities of the City pertaining to the Electric System and payable from and secured by a lien on the Net Revenues on a parity with the Bond which are hereafter issued to the extent issued in accordance with the terms, conditions and limitations hereof.

**“Paying Agent”** means the City Clerk/Treasurer or any successor thereto or any successor paying agent for the Bond appointed by the Council.

**“Person”** means a corporation, firm, other body corporate (including, without limitation, the Federal Government, the State or any other body corporate and politic other than the City), partnership, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

**“Purchaser”** has the meaning ascribed to such term in the recitals hereof.

**“Redemption Date”** means a date fixed for the redemption prior to the respective maturities of the Bond or other designated securities payable from any Net Revenues in any notice of prior redemption or otherwise fixed and designated by the City.

**“Redemption Price”** means, when used with respect to the Bond or other designated security payable from any Net Revenues, the principal amount thereof plus accrued interest thereon to the Redemption Date plus the applicable premium, if any, payable upon the redemption thereof prior to the stated maturity date of the Bond or such other security on a Redemption Date in the manner contemplated in accordance with the security’s terms.

**“Refunding Project”** has the meaning ascribed to such term in the recitals.

**“Registrar”** the City Clerk/Treasurer or any successor thereto or any successor registrar for the Bond appointed by the Council.

**“Subordinate Securities”** means securities of the City pertaining to the Electric System and payable from and secured by a lien on the Net Revenues subordinate and junior to the pledge thereof to the Bond, to the extent issued in accordance with the terms, conditions and limitations hereof

**“Tax Code”** means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bond.

**“Trust Bank”** means a “Banking Institution”, as defined herein, which bank is authorized to exercise and is exercising trust powers, and also means any branch of the Federal Reserve Bank.

Other capitalized terms used herein shall have the meanings given to such terms in the text hereof, except where the context by clear implication otherwise requires.

**SECTION 3. Sale of the Bond.** The sale of the Bond to the Purchaser on the terms provided herein and in accordance with the Certificate of the City Clerk/Treasurer is hereby approved.

**SECTION 4. Ratification.** All action taken previously by the Council and the officers of the City directed toward the Refunding Project and toward the sale and issuance of the Bond is ratified, approved and confirmed.

**SECTION 5. Estimated Life of Facilities.** The Council, on behalf of the City, has determined and does hereby declare:

A. The estimated life or estimated period of usefulness of the facilities to be financed or refinanced with the Bond is not less than 20 years from the date of issuance of the Bonds; and



B. The Bond shall mature at such time or times not exceeding such estimated life or estimated period of usefulness.

**SECTION 6. Necessity of Refunding Project and Bond.** The Council hereby determines that it is necessary and in the best interests of the City, its officers, and the inhabitants of the City that the City effect the Refunding Project and defray wholly or in part the cost thereof by the issuance of the Bond therefor, and it is hereby so determined and declared.

**SECTION 7. Authorization of Refunding Project.** The Council hereby authorizes the Refunding Project.

**SECTION 8. Ordinance to Constitute Contract.** In consideration of the purchase and the acceptance of the Bond by those who shall own the same from time to time, the provisions hereof shall be deemed to be and shall constitute a contract between the City and the owners from time to time of the Bond.

**SECTION 9. Bond Equally Secured.** The covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the owners of any and all of the Outstanding Bond, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any portion of the Bond over any other thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

**SECTION 10. Limitations upon Security.** The payment of the Bond is not secured by an encumbrance, mortgage or other pledge of property of the City, except for the Net Revenues and any other moneys pledged for the payment of the Bond. No property of the City, subject to such exception, shall be liable to be forfeited or taken in payment of the Bond.

**SECTION 11. No Recourse Against Officers and Agents.** No recourse shall be had for the payment of the Bond Requirements of the Bond or for any claim based thereon or otherwise upon this Ordinance or any other instrument relating thereto, against any individual member of the Council or any officer or other agent of the Council or City, past, present or future, either directly or indirectly through the Council or the City, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Bond and as a part of the consideration of its issuance specially waived and released.

**SECTION 12. Authorization of Bond.** For the purpose of providing funds to pay the cost of the Refunding Project, the City shall issue the "City of Fallon, Nevada Electric System Revenue Refunding Bond, Series 2020" in the aggregate principal amount to be specified in the Certificate of the City Clerk/Treasurer, such principal amount not to exceed the aggregate principal amount of \$5,650,000.

**SECTION 13. Bond Details.**

A. The Bond shall be issued in fully registered form, i.e., registered as to both principal and interest, in compliance with Section 149 of the Tax Code, and the regulations of the Secretary of the Treasury thereunder. The Bond shall be dated initially as of the date of delivery thereof to the Purchaser, and shall be issued as a single bond in the principal amount set forth in the Certificate of the City Clerk/Treasurer. The Bond shall bear interest (calculated on the basis of a 360 day year of twelve 30 day months) from its date until its maturity date (or, if redeemed prior to maturity as provided

below, its redemption date) at the rate or rates per annum set forth in the Certificate of the Clerk/Treasurer on the unpaid principal thereof until the principal thereof is paid in full and as otherwise provided in the form of the Bond set forth in Section 21 herein. Interest payments shall be payable semiannually on May 1 and November 1 of each year commencing on the date provided in the Certificate of the City Clerk/Treasurer. Principal payments shall be payable annually on November 1, on the dates set forth in the Certificate of the City Clerk/Treasurer.

B. The installments of principal and interest on the Bond shall be paid by electronic funds transfer to the Purchaser, and otherwise by check or warrant made to the order of the registered owner of the Bond and mailed to the address of the registered owner shown on the registration records kept by the City Clerk/Treasurer acting in the capacity as the Registrar of the Bond, as of the close of business on the day immediately prior to such payment date, or if such date is not a business day, on or before the next succeeding business day. The Paying Agent may make payments of interest on the Bond by such alternative means as may be mutually agreed to between the owner of the Bond and the Paying Agent. All such payments shall be made in lawful money of the United State of America without deduction for any service charges of the Paying Agent or Registrar.

**SECTION 14. Prepayment Option.** Installments of principal on the Bond shall be subject to optional prepayment by the City prior to maturity on the dates, at the prices, and in the manner provided in the Certificate of the Clerk/Treasurer. If all or a portion of the principal of the bond is so called for prepayment, no payment of the principal of or interest on the Bond due on or after the date fixed for prepayment shall be made unless the Bond is presented to the Paying Agent and notation of the installments of principal redeemed is made on the Bond.

**SECTION 15. Negotiability.** Subject to the registration provisions herein provided, the Bond shall be fully negotiable within the meaning of and for the purpose of the Uniform Commercial Code - Investment Securities and each owner shall possess all rights enjoyed by holders of negotiable instruments under the Uniform Commercial Code - Investment Securities.

**SECTION 16. Registration, Transfer and Exchange of Bonds.** The Bond shall be subject to the following provisions relating to their registration, transfer and exchange:

A. Records for the registration of the Bond shall be kept by the Registrar. The person in whose name the Bond shall be registered, on the registration records kept by the Registrar, shall be deemed and regarded as the absolute owner thereof for the purpose of payment and for all other purposes; and payment of or on account of either principal or interest on the Bond shall be made only to or upon the written order of the owner thereof or his or her legal representative. All such payments shall be valid and effectual to discharge the liability upon the Bond to the extent of the sum or sums so paid.

B. If the Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the City may reasonably require, and upon payment of all expenses in connection therewith, authenticate and deliver a replacement Bond. If such lost, stolen, destroyed or mutilated Bond shall have matured or shall have been called for prepayment, the Registrar may direct that the Bond be paid by the Paying Agent in lieu of replacement.

C. The Registrar shall maintain at his office a registration record for the Bond showing the name and address of the registered owner and amounts and dates of any principal prepayments on the Bond.

**SECTION 17. Execution and Authentication.**

A. Prior to the execution of the Bond by facsimile signature and pursuant to Section 350.638, Bond Act, to the act known as the Uniform Facsimile Signatures of Public Officials Act, cited as Chapter 351, NRS, and to the Supplemental Bond Act, the Mayor of the City (the "Mayor") and the City Clerk/Treasurer shall file with the Secretary of State of Nevada his or her manual signature certified by him or her under oath.

B. The Bond shall be signed and executed in the name of and on behalf of the City with the manual or facsimile signature of the Mayor, shall be signed and executed with the manual or facsimile signature of the City Clerk/Treasurer, and shall bear a manual impression or a facsimile of an impression of the official seal of the City attested with the manual or facsimile signature of the City Clerk/Treasurer.

C. The Bond shall not be valid or obligatory for any purpose unless the certificate of authentication thereon, substantially in the form hereinafter provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer or employee of the Registrar, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bond issued hereunder. By authenticating any of the Bond initially delivered pursuant to this Ordinance, the Registrar shall be deemed to have assented to all of the provisions of this Ordinance.

D. The Mayor and the City Clerk/Treasurer are hereby authorized and directed to prepare and execute the Bond as provided herein.

**SECTION 18. Use of Predecessor's Signature.** The Bond bearing the signatures of the officers in office at the time of their execution shall be valid and binding obligations of the City, notwithstanding that before the delivery thereof and payment therefor any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. The Mayor and the City Clerk/Treasurer, at the time of the execution of a signature certificate relating to the Bond, may each adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office if such facsimile signature appears upon any of the Bond.

**SECTION 19. Incontestable Recital.** Pursuant to NRS 350.628, the Bond shall contain a recital that they are issued pursuant to the Bond Act, which recital shall be conclusive evidence of the validity of the Bond and the regularity of their issuance.

**SECTION 20. State Tax Exemption.** Pursuant to NRS 350.710, the Bond, its transfer and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof except the tax on estates imposed pursuant to the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to the provisions of Chapter 375B of NRS.

**SECTION 21. Form of Bond.** The Bond shall be in substantially the following form, said form to be completed with necessary or appropriate variations, insertions, omissions, or endorsements consistent with the provisions of this Ordinance:

(Form of Bond)

THIS BOND IS SUBJECT TO TRANSFER RESTRICTIONS  
TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

UNITED STATES OF AMERICA  
CITY OF FALLON, NEVADA  
ELECTRIC SYSTEM REVENUE REFUNDING BOND,  
SERIES 2020

No. \_\_\_\_\_

\$ \_\_\_\_\_

Interest Rate  
\_\_\_\_\_%

Dated As of  
\_\_\_\_\_, 2020

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Fallon (the "City"), in the State of Nevada (the "State"), for value received hereby promises, solely out of funds available for the purpose as hereinafter set forth, to pay to the registered owner hereof specified above or registered assigns the principal amount specified above or such lesser amount as shall be advanced to the City. The Bond shall bear interest on the principal amount hereof from the date of delivery of the Bond at the rate of interest per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months and subject to adjustment as provided herein) payable on each May 1 and November 1 commencing \_\_\_\_\_ 1, 20\_\_\_\_. The principal of the Bond shall be payable annually on the following dates in the following amounts:

<i>Date</i> <i>(November 1)</i>	<i>Principal Amount</i>
------------------------------------	-------------------------

*Date*  
*(November 1)*                      *Principal Amount*

The City Treasurer in Fallon, Nevada is acting as paying agent for the Bond (the “Paying Agent”) and as the City’s Registrar for the Bond (the “Registrar”). Installments of principal and interest on this Bond will be made by electronic funds transfer to the Registered Owner, or otherwise by check or warrant mailed by the Paying Agent on each payment date (or, if such date is not a business day, on the next succeeding business day) to the person in whose name this Bond is registered (the “registered owner”) in the registration records of the City maintained by the Registrar, at the address appearing thereon as of the close of business on the day next preceding such payment date. Alternative means of payment of interest may be used if mutually agreed to by the registered owner and the Paying Agent, as provided in the “2020 Electric Revenue Refunding Bond Ordinance,” adopted and approved by the City Council of the City on July 20, 2020 authorizing the issuance of this Bond (the “Ordinance”). All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or the Registrar.

Capitalized terms used in this Bond, which are not otherwise defined herein shall have the meanings ascribed to such terms in the Ordinance.

This Bond is a duly authorized bond of the City issued in the principal amount of \$\_\_\_\_\_,000 (the “Bond”) issued to defray, in part, the cost of the Refunding Project (as defined in the Ordinance) under the authority of and in full compliance with the constitution and laws of the State.

This Bond is issued pursuant to Nevada Revised Statutes (“NRS”) §§ 350.500 through 350.720, and all laws amendatory thereof, designated in § 350.500 thereof as the Local Government Securities Law (the “Bond Act”); and pursuant to NRS Chapter 348. Pursuant to § 350.628 of the Bond Act, this recital is conclusive evidence of the validity of the Bond and the regularity of its issuance. Pursuant to § 350.710 of the Bond Act, the Bond, its transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to the provisions of Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to the provisions of Chapter 375B of NRS.

This Bond is subject to optional prepayment prior to maturity as provided in the Ordinance and the Certificate of the Clerk/Treasurer.

It is hereby certified and recited that all of the requirements of law have been fully complied with by the proper officers of the City in the issuance of this Bond; and that the total indebtedness of the City, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or by the laws of the State.

Payment of the principal of and interest on this Bond is secured solely by a pledge of the Net Revenues derived by the City from the operation and use of, or otherwise pertaining to, the Electric System of the City.



This Bond is equally and ratably secured by such pledge of the Net Revenues, and such pledge constitutes an irrevocable lien thereon (but not necessarily an exclusive lien), which is on parity with the lien thereon securing the City's other Parity Securities. Additional securities may be issued and made payable from the Net Revenues and having a lien thereon subordinate to or on a parity with such pledge, in each case subject to the conditions of and in accordance with the Ordinance. The City is prohibited from issuing additional securities payable from the Net Revenues with a lien thereon which is senior to the lien securing the Bond and the other outstanding Parity Bonds.

Reference is made to the Ordinance and to the Bond Act for an additional description of the nature and extent of the security for this Bond, the accounts, funds, or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the registered owner of this Bond with respect thereto, the terms and conditions upon which this Bond is issued, and a statement of rights, duties, immunities, and obligations of the City, and other rights and remedies of the owner of this Bond.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance may be amended or otherwise modified by action of the City taken in the manner and subject to the conditions and exceptions prescribed in the Ordinance. The pledge of Net Revenues under the Ordinance may be discharged at or prior to the respective maturities of the installments of principal or prior redemption of the Bond upon the making of provision for the payment thereof on the terms and conditions set forth in the Ordinance.

This Bond shall not be entitled to any benefits under the Ordinance, or be valid or obligatory for any purpose until the registration panel hereon shall have been manually signed on behalf of the Registrar.

[The City has designated the Bond as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.]

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise in respect to the Ordinance or any other instrument pertaining thereto, against any individual member of the Council, or any officer or other agent of the City, past, present or future, either directly or indirectly through the Council or the City, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

**IN WITNESS WHEREOF**, the City of Fallon, Nevada, has caused this Bond to be executed in its name by the manual signature of its Mayor, to be countersigned by the manual signature of its City Treasurer, and attested by the manual signature of its City Clerk and has caused the seal of the City to be reproduced hereon, all as of the \_\_\_ day of August, 2020, i.e., the date of delivery of this Bond.

CITY OF FALLON, NEVADA

(Manual Signature)  
Mayor  
City of Fallon, Nevada

Countersigned:

(SEAL)

Attest:

(Manual Signature)  
City Treasurer  
City of Fallon, Nevada

(Manual Signature)  
City Clerk  
City of Fallon, Nevada

**(End of Form of Bond)**

**(Form of Registration Panel)**

**MANDATORY REGISTRATION FOR PAYMENT  
AS TO PRINCIPAL AND INTEREST**

The within single bond is registered in the office of the Treasurer of City of Fallon, Nevada, as Registrar in the name of the last owner listed below, and the principal amount of the Bond and interest thereon shall be payable only to such owner, all in accordance with the within- mentioned Ordinance.

<u>Date of Registration</u>	<u>Name of Owner</u>	<u>Address of Owner</u>	<u>Signature of Registrar</u>
_____, 2020			_____
_____	_____	_____	_____
_____	_____	_____	_____

**(End of Form of Registration Panel Appended to Bond)**

**(Form of Principal Prepayment Panel on Bond)**

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Bond have been prepaid by City of Fallon, Nevada, in accordance with the terms of the within-mentioned Ordinance.

<u>Date of Prepayment</u>	<u>Due Date of Installments (or portions thereof)</u>	<u>Principal Amount Prepaid</u>	<u>Signature of Paying Agent</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**(End of Form of Principal Prepayment Panel on Bond)**

**(Form of Assignment for Bond)**

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and hereby irrevocably constitutes and appoints attorney, to transfer the same on the records kept for registration of the within Bond, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature Guaranteed  
\_\_\_\_\_

Name of Transferee:

\_\_\_\_\_

Address of Transferee:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Social Security or other tax  
identification number of  
Transferee:

\_\_\_\_\_

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

**(End of Form of Assignment for Bond)**

**SECTION 22. Delivery of the Bond; Use of Bond Proceeds.** When the Bond has been duly executed, the Clerk/Treasurer shall deliver it to the Purchaser upon receipt of the agreed purchase price, as stated in the Certificate of the Clerk/Treasurer.

The Clerk/Treasurer shall cause the proceeds of the Bond to be deposited as follows:

A. First, there shall be deposited into the Escrow Account to be held by the Escrow Bank pursuant to the terms of the Escrow Agreement, an amount fully sufficient, together with any other moneys therein (including any monies deposited therein from the debt service fund for the Refunded Bonds) and any initial cash balance remaining uninvested, to buy the Federal Securities designated in the Escrow Agreement for credit to the Escrow Account, to be used solely for the purpose of paying the Bond Requirements of the Refunded Bonds as provided in the Escrow Agreement.

B. Second, the balance of the proceeds of the Bond shall be deposited into the Costs of Issuance Account, a special account to be held under the control of the City hereby created, and shall be applied to the costs of issuing the Bond. After payment of the costs of issuance relating to the Bond, if there is a balance remaining in the Costs of Issuance Account, the remaining balance shall be deposited in the Bond Fund hereinafter created to be used to pay the principal of and interest on the Bond.

**SECTION 23. Use of Investment Gain.** Pursuant to NRS 350.658, and except as may otherwise be required herein, any gain from any investment and any reinvestment of any proceeds of the Bond (other than the Escrow Account) shall be deposited promptly upon the receipt of such gain at any time or from time to time into the Bond Fund hereinafter created, for the payment of the principal of or interest on the Bond or any combination thereof.

**SECTION 24. Tax Covenant.** The City covenants for the benefit of the owner or owners of the Bond that it will not take any action or omit to take any action with respect to the Bond, the proceeds thereof, any other funds of the City or any facilities financed or refinanced with the proceeds of the Bond if such action or omission (i) would cause the interest on the Bond to lose its exclusion from gross income for federal income tax purposes under § 103 of the Tax Code or (ii) would cause interest on the Bond to lose its exclusion from alternative minimum taxable income as defined in § 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under § 56 of the Tax Code in calculating corporate alternative minimum taxable income. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bond until the date on which all obligations of the City in fulfilling the above covenant under the Tax Code have been met.

**SECTION 25. [Reserved].**

**SECTION 26. Payment of Bond.** The City covenants and agrees with each and every owner that the City will make the principal and interest payments on the Bond at the place, on the dates and in the manner specified according to the true intent and meaning thereof.

**SECTION 27. Purchaser Not Responsible.** The validity of the Bond shall not be dependent on nor be affected by the validity or regularity of any proceedings relating to the



Refunding Project, or any part thereof, or to the completion of the Refunding Project. Neither the Purchaser nor any subsequent owner of the Bond shall in any manner be responsible for the application by the City or by any of its officers, agents and employees of the moneys derived from the sale of the Bond or of any other moneys herein designated.

**SECTION 28. Pledge of Net Revenues.** Subject only to the provisions of this Ordinance permitting the application thereof for or to the purposes and on the terms and conditions set forth herein, there are hereby additionally pledged to secure the payment of principal of and interest on the Bond in accordance with the provisions of this Ordinance, all of the Net Revenues. This pledge shall be valid and binding from and after the date of the delivery to the Purchaser of the Bond. The Net Revenues, as received by the City shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing or further act; and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City (except as herein otherwise provided) irrespective of whether such parties have notice thereof. The lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any and all other obligations and liabilities of the City payable from the Net Revenues, except for any Outstanding Parity Securities as herein provided. The lien of this pledge for the Bond and any Parity Securities shall be equitably and ratably secured by the pledge of Net Revenues hereunder, and the Bond and any Parity Securities are not entitled to any priority one over the other in the application of Net Revenues.

**SECTION 29. Revenue Fund.** So long as the Bond shall be Outstanding, the entire Gross Revenues, upon their receipt from time to time by the City, shall be set aside and credited immediately to a separate account heretofore created in the treasury of the City, reestablished hereby, and designated as the "City of Fallon Electric System Enterprise Fund" (the "Revenue Fund"). So long as any of the Bond shall be Outstanding, the Revenue Fund shall be administered and the moneys on deposit therein shall be applied in the order of priority specified in Sections 30 through 34.

**SECTION 30. Operation and Maintenance Account.** First, from time to time there shall be transferred and credited to a separate account heretofore created and reestablished hereby in the treasury of the City and designated as the "City of Fallon Electric System Operation and Maintenance Account" (the "Operation and Maintenance Account"), moneys sufficient to pay Operation and Maintenance Expenses, as budgeted and approved in accordance with law, as such expenses become due and payable, and thereupon they shall be promptly paid. Any surplus remaining in the Operation and Maintenance Account at the end of the Fiscal Year of the City and not needed for Operation and Maintenance Expenses shall be transferred back to the Revenue Fund.

**SECTION 31. Parity Bond Fund.** Second, from any moneys thereafter remaining in the Revenue Fund and concurrent with transfers to the Bond Fund and any required reserve funds or accounts created with respect to the Bond and any Parity Securities, there shall be transferred and credited to the Bond Fund monthly, commencing on the first day of the month immediately succeeding the delivery date of the Bond, an amount in substantially equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installments of principal and interest on the Outstanding Bond or Parity Securities, as the case may be. The money credited to the Bond Fund shall be used to pay the Bond Requirements of the Bond as such Bond Requirements become due.

**SECTION 32. Rebate Account.** Third, after the aforementioned deposits, and from the Net Revenues there shall be transferred and credited to a special and separate account hereby created and designated as the “City of Fallon, Electric System Revenue Refunding Bond, Series 2020, Rebate Account” (the “Rebate Account”) and to any other fund or account established for payment of amounts due the United States under Section 148(f) of the Tax Code in connection with the Parity Securities in such amounts as are required to be deposited therein to meet the City’s obligations under the covenant contained in Section 24 hereof, in accordance with Section 148(f) of the Tax Code. Such deposits shall be made at such times as are required by Section 148(f) of the Tax Code and such covenant and amounts in the Rebate Account shall be used for the purpose of making the payments to the United States required by such covenant and Section 148(f) of the Tax Code. Any amounts in the Rebate Account in excess of those required to be on deposit therein may be withdrawn therefrom and deposited into the Revenue Fund.

**SECTION 33. Payment of Subordinate Securities.** Fourth, any moneys thereafter remaining in the Revenue Fund may be used by the City for the payment of the principal of and interest on with respect to, Subordinate Securities; and may be used to create reasonable reserves for such securities.

**SECTION 34. Surplus Revenues.** Fifth, any moneys thereafter remaining in the Revenue Fund may be used by the City at the end of any Fiscal Year of the City, or whenever there shall have been credited all amounts required to be deposited in the respective foregoing separate accounts for all of that Fiscal Year, for any lawful purposes of the City, as the Council may from time to time determine, including, without limitation, for the creation of operation and maintenance reserves and capital reserves, the payment of capital costs and major maintenance costs of the Electric System, to pay any other obligations pertaining to the Electric System or otherwise.

**SECTION 35. Termination of Deposits.** No payment need be made into the Bond Fund if the amounts in that fund total a sum at least equal to the entire amount of the Outstanding Bond as to all Bond Requirements to their respective maturities both accrued and not accrued, in which case moneys in such fund in an amount, except for any interest or other gain to accrue from any investment of moneys in Federal Securities from the time of any such investment to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Bond Requirements, shall be used, together with any such gain from such investments, solely to pay such Bond Requirements as the same become due.

**SECTION 36. Equal Security.** The Bond and any Parity Securities from time to time outstanding shall be equally and ratably secured by the pledge of Net Revenues hereunder and shall not be entitled to any priority one over the other in the application of the Net Revenues regardless of the time or times of the issuance of the Bond and any Parity Securities.

**SECTION 37. Defraying Delinquencies.** If at any time the City shall for any reason fail to pay into the Bond Fund or the Rebate Account the full amount above stipulated from the Net Revenues, then an amount shall be paid first into the Bond Fund and second into the Rebate Account at such time equal to the difference between that paid from the Net Revenues and the full amount so stipulated. If the Bond or other Parity Securities are outstanding, and if the proceedings authorizing issuance of those securities require the replacement of moneys in a bond fund, reserve fund or rebate account therefor, then the moneys replaced in such funds shall be replaced on a pro rata basis related to the principal amount of the then Outstanding Bond and the then Outstanding Parity Securities, as

moneys become available therefor, first into all of such bond and reserve funds and second into all such rebate accounts.

**SECTION 38. Conditions to Issuance of Additional Parity Securities.**

A. Nothing herein permits the issuance by the City of bonds or other obligations secured by a lien on the Net Revenues which is superior to the lien thereon securing the Bond.

B. Nothing herein, except as expressly hereinafter provided, shall prevent the issuance by the City of Parity Securities payable from Net Revenues and constituting a lien thereon on a parity with the lien thereon of the Bond, provided, however, that the following are express conditions to the authorization and issuance of any such Parity Securities:

1. At the time of adoption of the instrument authorizing the issuance of the Parity Securities, the City shall not be in default in the payment of principal of or interest on the Bond.

2. The Net Revenues (subject to adjustments as hereinafter provided) projected by the City Clerk/Treasurer or an independent accountant or consulting engineer to be derived in the Fiscal Year following the issuance of such Parity Securities, will be not less than an amount equal to 125% of the principal and interest requirements (to be paid during that Fiscal Year) of the Outstanding Bond, the Outstanding Parity Securities and the Parity Securities proposed to be issued (excluding any reserves therefor).

C. In any determination of whether or not Parity Securities may be issued in accordance with the applicable foregoing earnings test, consideration shall be given to any probable estimated increase or reduction in Operation and Maintenance Expenses that will result from the expenditure of the funds proposed to be derived from the issuance and sale of the Parity Securities.

D. In any determination of whether or not Parity Securities may be issued in accordance with the applicable foregoing earnings test, the respective annual principal (or Redemption Price) and interest requirements shall be reduced to the extent such requirements are scheduled to be paid with moneys held in trust or in escrow for that purpose by any Trust Bank within or without the State, including the known minimum yield from any investment in Federal Securities.

E. A written certificate or written opinion by the City Clerk/Treasurer or an independent accountant or consulting engineer that the applicable foregoing earnings test is met shall be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver Parity Securities.

F. In connection with the authorization of any such Parity Securities, the Council may on behalf of the City adopt any additional covenants or agreements with the holders of such Parity Securities; provided, however, that no such covenant or agreement may be in conflict with the covenants and agreements of the City herein and no such covenant or agreement may be materially adverse to the interests of the holders of the Bond. Any finding of the Council to the effect that the foregoing requirements are met shall, if made in good faith, conclusively establish that the foregoing requirements have been met for purposes of this Ordinance.

**SECTION 39. Subordinate Securities Payable From Net Revenues.** Nothing herein, except as expressly hereinafter provided, shall prevent the City from issuing additional securities payable from Net Revenues and constituting a lien thereon subordinate to the lien thereon of the Bond and any Outstanding Parity Securities.

**SECTION 40. Issuance of Refunding Bonds.** At any time after the Bond, or any part thereof, is issued and remains Outstanding, if the Council shall find it desirable to refund the Outstanding Bond or other Outstanding securities payable from and constituting a lien upon the Net Revenues, the Bond or such other securities, or any part thereof, may be refunded only if the Bond or other securities at the time or times of their required surrender for their payment shall then mature or shall be then callable for prior redemption for the purpose of refunding them at the Issuer's option upon proper call, unless the holder or holders of all such Outstanding securities consent to such surrender and payment, regardless of whether the priority of the lien for the payment of any refunding securities on Net Revenues is changed.

**SECTION 41. Operation of the System.** The City shall at all times operate the Electric System properly and in a sound and economical manner and shall maintain, preserve and keep the Electric System properly, or cause the same so to be maintained, preserved and kept, in good repair, working order and condition. The City also shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the operation of the Electric System may be properly and advantageously conducted in conformity with standards customarily followed by municipalities operating Electric Systems of like size and character.

Except for the use of the Electric System or services pertaining thereto in the normal course of business, neither all nor a substantial part of the Electric System shall be sold, leased, mortgaged, pledged, encumbered, alienated or otherwise disposed of until all of the Bond has been paid in full, or unless provision has been made therefor as hereinafter provided.

**SECTION 42. Payment of Taxes, Etc.** The City shall pay or cause to be paid all taxes, assessments and other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the Electric System or any part thereof, or upon any portion of the Net Revenues, when the same shall become due. The City shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Electric System or any part thereof, except for any period during which the validity of the same is being contested in good faith by proper legal proceedings. The City shall not create or suffer to be created any lien or charge on the Electric System or any part thereof, or upon the Net Revenues, except the pledge and lien created by this Ordinance for the payment of the Bond and any Outstanding Parity Securities or Subordinate Securities issued in accordance herewith, and except as herein otherwise permitted. The City shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge within 60 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Electric System or any part thereof, or upon the Net Revenues. Nothing herein contained requires the City to pay or cause to be discharged or to make provision for any such tax, assessment, lien, charge or demand before the time when payment thereon shall be due, or so long as the validity thereof shall be contested in good faith by appropriate legal proceedings.

**SECTION 43. No Competing Facilities.** The City shall neither construct nor permit to be constructed other facilities or structures to be operated by the City separate from the Electric System

and competing for Net Revenues otherwise available for the payment of the Bond or any other securities payable from Net Revenues; provided, however, that nothing herein contained shall impair the police powers of the City or otherwise cause the City to violate any applicable law.

**SECTION 44. Rate Covenant.** The City shall charge against users or against purchasers of services or commodities pertaining to the Electric System such fees, rates and other charges as shall be sufficient to produce Gross Revenues annually which, together with any other funds available therefor, will be in each Fiscal Year of the City at least equal to the sum of:

A. an amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year;

B. an amount equal to 125% of the debt service due in such Fiscal Year on the then Outstanding Bond, any Outstanding Parity Securities and 100% of all debt service payable from the Net Revenues; and

C. any other amounts payable from the Net Revenues and pertaining to the Electric System, including, without limitation, debt service on any Subordinate Securities and any other securities pertaining to the Electric System, operation and maintenance reserves, capital reserves and prior deficiencies pertaining to any account relating to Gross Revenues.

The foregoing rate covenant is subject to compliance by the City with any legislation of the United States of America, the State or other governmental body, or any regulation or other action taken by the United States, the State or any agency or political subdivision of the State pursuant to such legislation, in the exercise of the police power thereof for the public welfare, which legislation, regulation or action limits or otherwise inhibits the amounts of fees, rates and other charges subject to collection by the City for the use of or otherwise pertaining to, and all services rendered by, the Electric System.

Subject to the foregoing, the City shall cause all fees, rates and other charges pertaining to the Electric System to be collected as soon as reasonable and shall provide methods of collection and penalties to the end that the Gross Revenues shall be adequate to meet the requirements hereof.

**SECTION 45. Accounts and Records.** So long as any portion of the Bond remains Outstanding, proper records of record and account shall be kept by the City, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Electric System and to all moneys pertaining thereto, including, without limitation, the Gross Revenues.

**SECTION 46. Defeasance.** When all Bond Requirements of the Bond have been duly paid, the pledge and lien and all obligations hereunder as to that Bond shall thereby be discharged and the Bond shall no longer be deemed to be outstanding within the meaning of this Ordinance. There shall be deemed to be due payment of any Outstanding Bond when the City has placed in escrow or in trust with a trust bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the Bond as the same become due to the final maturity of the Bond. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed in accordance with a schedule

established and agreed upon between the City and the bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as so needed to meet the schedule. For the purpose of this Section, the term "Federal Securities" shall include only Federal Securities as defined in NRS 350.522 which are not callable for redemption prior to their maturities except at the option of the holder thereof. When such defeasance is accomplished, the Paying Agent shall mail written notice of the defeasance to the registered owner of the Bond at the address last shown on the registration records for the Bond maintained by the Registrar.

**SECTION 47. Bondowner's Remedies.** Each owner of the Bond shall be entitled to all of the privileges, rights and remedies provided herein, the Bond Act, the Supplemental Bond Act and this Ordinance, and as otherwise provided or permitted at law or in equity or by other statute, but subject to the provisions herein concerning the Net Revenues and the proceeds of the Bond. The Bond is expressly not subject to acceleration upon an event of default.

**SECTION 48. Right to Enforce Payment.** Nothing in this article affects or impairs the right of any owner of the Bond issued hereunder to enforce the payment of the Bond Requirements of the Bond or the obligation of the City to pay the Bond Requirements of each Bond to the owner thereof at the time and the place expressed in the Bond.

**SECTION 49. Events of Default.** Each of the following events is hereby declared an "Event of Default":

A. Nonpayment of Principal. Payment of the principal of the Bond, shall not be made when the same shall become due and payable, either at maturity or otherwise;

B. Nonpayment of Interest. Payment of any installment of interest shall not be made when the same becomes due and payable;

C. Incapable to Perform. The City shall for any reason be rendered incapable of fulfilling its obligations hereunder;

D. Nonperformance of Duties. The City shall have failed to carry out and, to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Net Revenues, or otherwise, including, without limitation, this Ordinance, and such failure shall continue for sixty (60) days after receipt of notice from the owners of ten percent (10%) in principal amount of the Bond then Outstanding.

E. Appointment of Receiver. An order or decree shall be entered by a court of competent jurisdiction with the consent or acquiescence of the City appointing a receiver or receivers for the Net Revenues and any other moneys subject to the lien to secure the payment of the Bond, or if an order or decree having been entered without the consent or acquiescence of the City, shall not be vacated or discharged or stayed on appeal within sixty (60) days after entry; and

F. Default of Any Provision. The City shall make default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bond or in this Ordinance on its part to be performed, and if such



default shall continue for sixty (60) days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by the owners of ten percent (10%) in principal amount of the Bond then Outstanding.

**SECTION 50. Remedies for Default.** Upon the happening and continuance of any of the Events of Default described in the preceding section, then and in every case the owner or owners of not less than a majority in principal amount of the Bond then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the City and its agents, officers and employees to protect and to enforce the rights of any owner of Bond under this Ordinance by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award of execution of any power herein granted for the enforcement of any proper, legal or equitable remedy as the owner or owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of the Bond, or to require the City to act as if it were the trustee of an express trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the Bond and any Parity Securities then Outstanding.

**SECTION 51. Receiver's Rights and Privileges.** Any receiver appointed in any proceedings to protect the rights of such owners hereunder, the consent of any such appointment being hereby expressly granted by the City, may collect, receive and apply all Net Revenues arising after the appointment of such receiver in the same manner as the City itself might do.

**SECTION 52. Rights and Privileges Cumulative.** The failure of any owner of any outstanding Bond to proceed in any manner herein provided shall not relieve the City, its Governing Body, or any of its officers, agents or employees of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of any such owner is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any of them shall not be deemed a waiver of any other right or privilege thereof.

**SECTION 53. Prejudicial Action Unnecessary.** Nothing in this article requires the City to proceed as provided herein if the Council determines in good faith and without any abuse of its discretion that if the City so proceeds it is more likely than not to incur a net loss rather than a net gain or such action is otherwise likely to affect materially and prejudicially the owners of the outstanding Bond and of any Outstanding securities on a parity with the Bond.

**SECTION 54. Replacement of Registrar or Paying Agent.** If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the Council shall reasonably determine that it is in the best interests of the City to approve a successor Registrar or Paying Agent, upon notice mailed to the owner of the Bond at his or her address last shown on the registration records, the Council may appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same institution or person serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution or person serve as both Registrar and Paying Agent.

Any corporation or association into which the Registrar or Paying Agent may be converted or merged, or with which they may be consolidated, or to which they may sell or transfer their corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer, to which they are a party, shall be and become the successor Registrar or Paving Agent under this Resolution, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything in this Resolution to the contrary notwithstanding.

**SECTION 55. Amendments.** This Ordinance may be amended or supplemented by instruments adopted by the City, without receipt by the City of any additional consideration, but with the written consent of the owners of at least a majority in aggregate principal amount of the Bond authorized by this Ordinance and Outstanding at the time of the adoption of the amendatory or supplemental instrument, excluding bonds which may then be held or owned for the account of the City, but including such refunding securities as may be issued for the purpose of refunding any of the Bond if the refunding securities are not owned by the City. No such instrument shall permit:

A. A change in the maturity or in the terms of redemption of the principal or any installment thereof of the Outstanding Bond or any installment of interest thereon;

B. A reduction in the principal amount of the Bond, the rate of interest thereon, without the consent of the owner of the Bond;

C. A reduction of the principal amount or percentages or otherwise affecting the description of the portion of the Bond of which the consent of the owners thereof is required for any modification or amendment;

D. The establishment of priorities as between the Bond issued and Outstanding under the provisions of this Ordinance; or

E. The modification of, or other action which materially and prejudicially affecting the rights or privileges of the owners of less than all of the Bond then Outstanding.

Whenever the City proposes to amend or modify this Ordinance under the provisions of this Section, it shall cause notice of the proposed amendment to be given not later than 30 days prior to the date of the proposed enactment of the amendment by mailing to the owners thereof. The notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory instrument is on file in the office of the City Clerk/Treasurer for public inspection.

Whenever at any time within one year from the date of the mailing of such notice there shall be filed in the office of the City Clerk/Treasurer an instrument or instruments executed by the owners of a majority of the Bond which instrument or instruments shall refer to the proposed amendatory instrument described in the notice and shall specifically consent to and approve the adoption of the instrument, thereupon, but not otherwise, the City may adopt the amendatory instrument and the instrument shall become effective.

The Bond authenticated and delivered after the effective date of any action taken as in this Article provided may bear a notation by endorsement or otherwise in form approved by the City as to the action.

**SECTION 56. Delegated Powers.** The officers of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limitation:

- A. The printing of the Bond;
- B. The execution of such certificates as may be reasonably required by the Purchaser relating to the signing of the Bond, the tenure and identity of the officials of the City, the exclusion of interest on the Bond from gross income for federal income tax purposes to the extent provided herein, the delivery of the Bond and the receipt of the Bond purchase price, if it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity of the Bond, and the completeness and accuracy of any information provided the Purchaser in connection with the Bond as of the date of delivery of the Bond;
- C. The execution of the Certificate of the City Clerk/Treasurer and the Escrow Agreement; and
- D. The sale and issuance of the Bond pursuant to the provisions of this Ordinance.

**SECTION 57. Ordinance Irrepealable.** After any of the Bond is issued, this Ordinance shall constitute an irrevocable contract between the City and the owner or owners of the Bond; and this Ordinance shall be and shall remain irrepealable until the Bond, as to all Bond Requirements, shall be fully paid, canceled and discharged as herein provided.

**SECTION 58. Repealer.** All ordinances, resolutions, bylaws and orders, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance, resolution, bylaw or order, or part hereof, heretofore repealed.

**SECTION 59. Publication and Effective Date.** The Council has expressed in the preambles to this Ordinance that it pertains to the sale, issuance, or payment of the Bond, and that this instrument may accordingly be adopted as if an emergency now exists. This Ordinance shall become effective after its publication by its title only, together with a statement that typewritten copies of this Ordinance are available for inspection by interested parties at the office of the City Clerk/Treasurer, such publication to be made in a newspaper or newspapers published in Churchill County and which is of general circulation in the City and such publication to be in substantially the following form:

(Form of Publication of Adoption of Ordinance)

BILL NO. \_\_\_\_

ORDINANCE NO. \_\_\_\_

**AN ORDINANCE DESIGNATED BY THE SHORT TITLE  
"2020 ELECTRIC REVENUE REFUNDING BOND  
ORDINANCE"; PROVIDING FOR THE ISSUANCE BY CITY  
OF FALLON, NEVADA OF ITS ELECTRIC SYSTEM  
REVENUE REFUNDING BOND, SERIES 2020; PROVIDING  
THE FORM, TERMS AND CONDITIONS OF THE BOND,  
THE USE OF ITS PROCEEDS AND PROVIDING FOR THE  
SALE THEREOF; SECURING ITS PAYMENT BY A  
PLEDGE OF REVENUES DERIVED FROM THE ELECTRIC  
SYSTEM OF THE CITY; RATIFYING ACTION  
PREVIOUSLY TAKEN TOWARD THE ISSUANCE OF THE  
BOND; PROVIDING FOR ADOPTION AS IF AN  
EMERGENCY EXISTS, AND PROVIDING OTHER  
MATTERS RELATING THERETO.**

PUBLIC NOTICE IS HEREBY GIVEN that the above entitled Ordinance was proposed by  
Councilman \_\_\_\_\_ at the regular meeting of the City of Fallon City Council  
held on July 20, 2020, and was passed and adopted at the regular meeting of the City of Fallon City  
Council held on July 20, 2020, by the following vote of the City Council:

Those Voting Aye:

Kelly Frost  
Karla Kent  
James Richardson

Those Voting Nay:

\_\_\_\_\_  
\_\_\_\_\_

Those Absent:

\_\_\_\_\_  
\_\_\_\_\_

This Ordinance shall be in full force and effect from and after the \_\_\_\_ day of July, 2020.

IN WITNESS WHEREOF, the City Council of the City of Fallon, Nevada has caused this Ordinance to be published by title only.

DATED this July 20, 2020.

/s/ Ken Tedford Jr.  
Mayor

Attest:

/s/ Sean Richardson  
City Clerk/Treasurer

(End of Form of Publication)

**SECTION 60. Severability.** If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

(SEAL)

---

Mayor

Attest:

---

City Clerk  
City of Fallon, Nevada

This Ordinance shall be force and effect from and after the \_\_\_\_ day of July, 2020.

STATE OF NEVADA            )  
  ) ss.  
COUNTY OF CHURCHILL    )

I, Sean Richardson, the duly chosen, qualified and acting City Clerk/Treasurer of City of Fallon, Nevada (the "City") do hereby certify:

1. The foregoing pages are a true, perfect and a complete copy of an ordinance and adopted by the Council at a lawful meeting of the Council held on July 20, 2020, as recorded in the official record book of the proceedings of the City kept in my office.

2. The members of the Council voted on the introduction of the ordinance on July 20, 2020 as follows:

Those Voting Aye:           Kelly Frost  
                                  Karla Kent  
                                  James Richardson

Those Voting Nay:           \_\_\_\_\_

Those Absent:                \_\_\_\_\_

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

4. All members of the Council were given due and proper notice of the meeting. Pursuant to NRS 241.020 and Governor Sisolak's Declaration of Emergency Directive 006 entered on March 22, 2020, and extended by Emergency Directive 016 entered on April 29, 2020, by Emergency Directive 018 entered on May 7, 2020, by Emergency Directive 021 entered on May 28, 2020, and by Emergency Directive 026 entered on June 29, 2020, written notice of the meeting was given not later than 9:00 a.m. on the third working day before the meeting including in the notice the time, place, location, and agenda of the meeting:

(a) By posting a copy of the notice at least three working days before the meeting on the City's website; at the principal office of the Council, or if there is no principal office, at the building in which the meeting is to be held; and on the State of Nevada public notice website;

and

(b) By mailing a copy of the notice 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.



5. Upon request, the Council provides at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance or regulation which will be discussed at the public meeting, and any other supporting materials provided to the Council for an item on the agenda, except for certain confidential materials and materials pertaining to closed meetings, as provided by law.

6. A copy of the notice so given of the meeting of the Council held on July 20, 2020 is attached to this certificate as Exhibit A.

7. A copy of the affidavit of publication of the Ordinance by title after its adoption is attached to this certificate as Exhibit B.

**IN WITNESS WHEREOF**, I have hereunto set my hand this July 20, 2020.

(SEAL)

\_\_\_\_\_  
Sean Richardson, City Clerk/Treasurer

**EXHIBIT A**

**(Attach Copy of Notice of Meeting of July 20, 2020)**

**EXHIBIT B**

**(Attach Affidavit of Publication of Notice of Adoption of an Ordinance)**

July 20, 2020

## Agenda Item 9

Consideration and possible adoption of Bill No. 784 as Ordinance No. 765: An Ordinance Designated by the Short Title "2020 Electric Revenue Refunding Bond Ordinance"; Providing for the Issuance by City of Fallon, Nevada of its Electric System Revenue Refunding Bond, Series 2020; Providing the Form, Terms and Conditions of the Bond, the Use of its Proceeds and Providing for the Sale Thereof; Securing its Payment by a Pledge of Revenues Derived from the Electric System of the City; Ratifying Action Previously Taken Toward the Issuance of the Bond; Providing for Adoption as if an Emergency Exists, and Providing Other Matters Relating Thereto. **(For possible adoption)**

**CITY OF FALLON  
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 9

DATE SUBMITTED: July 14, 2020

AGENDA DATE REQUESTED: July 20, 2020

TO: The Honorable City Council

FROM: Robert Erquiaga, Legal and Administrative Director  
Sean Richardson, City Clerk/Treasurer

SUBJECT TITLE: Consideration and possible adoption of Bill No. 784 as Ordinance No. 765: An Ordinance Designated by the Short Title "2020 Electric Revenue Refunding Bond Ordinance"; Providing for the Issuance by City of Fallon, Nevada of its Electric System Revenue Refunding Bond, Series 2020; Providing the Form, Terms and Conditions of the Bond, the Use of its Proceeds and Providing for the Sale Thereof; Securing its Payment by a Pledge of Revenues Derived from the Electric System of the City; Ratifying Action Previously Taken Toward the Issuance of the Bond; Providing for Adoption as if an Emergency Exists, and Providing Other Matters Relating Thereto. (For possible action)

TYPE OF ACTION REQUESTED: (Check One)

<input type="checkbox"/> Resolution	<input checked="" type="checkbox"/> Ordinance
<input type="checkbox"/> Formal Action/Motion	<input type="checkbox"/> Other

RECOMMENDED COUNCIL ACTION: Motion to adopt Bill No. 784 as Ordinance No. 765: An Ordinance Designated by the Short Title "2020 Electric Revenue Refunding Bond Ordinance"; Providing for the Issuance by City of Fallon, Nevada of its Electric System Revenue Refunding Bond, Series 2020; Providing the Form, Terms and Conditions of the Bond, the Use of its Proceeds and Providing for the Sale Thereof; Securing its Payment by a Pledge of Revenues Derived from the Electric System of the City; Ratifying Action Previously Taken Toward the Issuance of the Bond; Providing for Adoption as if an Emergency Exists, and Providing Other Matters Relating Thereto.

DISCUSSION: The purpose of this Council Action is to allow the City of Fallon to issue Revenue Refunding Bonds to allow for redemption of the Electric System Revenue Bond, Series 2017 as allowed on or after November 1, 2020. The issuance of the refunding bond would allow the City of Fallon to lower the existing interest rate thus providing substantial savings over the life of the loan.

Staff has contracted the services of Mr. Scott Shaver, Bond Counsel, and Mr. Marty Johnson, Financial Advisor, to provide expert advice on these financial matters.

The proposed new borrowing would be \$5,635,320 without extending the loan terms from the Revenue Bond, Series 2017. The interest rate from the Revenue Bond, Series 2017 is 2.7% and we estimate the Revenue Refunding Bond interest rate to be 1.15% - 1.35%.

FISCAL IMPACT: Total savings over the life of the loan is estimated to be \$485,335.

FUNDING SOURCE: Electric Enterprise Fund.

PREPARED BY: Sean Richardson, City Clerk/Treasurer

REVIEWED BY: Robert Erquiaga, Legal and Administrative Director

DATE: July 14, 2020

Summary: An ordinance authorizing the issuance of the City of Fallon, Nevada Electric System Revenue Refunding Bond, Series 2020 and providing other matters related thereto.

**BILL NO.**  
**ORDINANCE NO.**

**AN ORDINANCE DESIGNATED BY THE SHORT TITLE “2020 ELECTRIC REVENUE REFUNDING BOND ORDINANCE”; PROVIDING FOR THE ISSUANCE BY CITY OF FALLON, NEVADA OF ITS ELECTRIC SYSTEM REVENUE REFUNDING BOND, SERIES 2020; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BOND, THE USE OF ITS PROCEEDS AND PROVIDING FOR THE SALE THEREOF; SECURING ITS PAYMENT BY A PLEDGE OF REVENUES DERIVED FROM THE ELECTRIC SYSTEM OF THE CITY; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD THE ISSUANCE OF THE BOND; PROVIDING FOR ADOPTION AS IF AN EMERGENCY EXISTS, AND PROVIDING OTHER MATTERS RELATING THERETO.**

**WHEREAS**, the City of Fallon in the State of Nevada (the “City” and the “State,” respectively) is a political subdivision of the State duly organized and consolidated as a city under the provisions of chapter 266 of the Nevada Revised Statutes (“NRS”) and the general laws of the State;

**WHEREAS**, the City now owns and operates a municipal electric system (the “Electric System”);

**WHEREAS**, the City has previously issued its “City of Fallon, Nevada Electric System Revenue Bond, Series 2017” (the “2017 Bond”) in the aggregate principal amount of \$6,333,000;

**WHEREAS**, the 2017 Bond is secured by a lien on the Net Revenues (as defined below) of the Electric System;

**WHEREAS**, other than the 2017 Bond, the City has no outstanding obligations which have a lien on the Net Revenues of the Electric System;

**WHEREAS**, the installments of principal on the 2017 Bond coming due on and after November 1, 2020 are subject to redemption prior to maturity at the option of the City, in whole but not in part, on any payment date (commencing on November 1, 2017) at a price equal to the principal amount so redeemed plus accrued interest thereon to the redemption date;

**WHEREAS**, pursuant to the provisions of NRS Sections 350.500 through 350.720, and all laws amendatory thereof, cited in Section 350.500 thereof by the short title “Local Government Securities Law” (the “Bond Act”), the City is authorized to issue bonds in order to refund, pay and discharge certain outstanding bonds of the City for the purpose of reducing interest rates and effecting other economies;

**WHEREAS**, the Council hereby determines that it is in the best interests of the City and the inhabits thereof to issue its “City of Fallon, Nevada Electric System Revenue Refunding Bond, Series

2020” (the “Bond”) in the aggregate principal amount set forth in the Certificate of the Clerk/Treasurer of the City dated on or before the date of delivery of the Bond (the “Certificate of the Clerk/Treasurer”), but not to exceed \$5,650,000, to refund, pay and discharge the portion of the outstanding the 2017 Bond designated in the Certificate of the Clerk/Treasurer, if any (the “Refunded Bonds”) and pay the costs associated with the issuance of the Bond (collectively, the “Refunding Project”);

**WHEREAS**, the Council has previously authorized and hereby does authorize the Clerk/Treasurer of the City (the “Clerk/Treasurer”) to solicit bids for the Bond and accept a binding bid for the Bond from the best bidder therefor (the “Purchaser”);

**WHEREAS**, after negotiation with the Purchaser for the sale of the Bond, the Clerk/Treasurer is hereby authorized to accept a binding offer from the Purchaser for the Bond, the Bond to bear interest at the variable or fixed rate or rates per annum provided in the Bond purchase proposal submitted by the Purchaser (the “Bond Purchase Proposal”), such rate or rates not to exceed 3% over the Index of Revenue Bonds most recently published in *The Bond Buyer* prior to the time the negotiated offer was accepted for the Bond (calculated on the basis of a 360-day year of twelve 30-day months), at a price equal to the principal amount thereof plus a premium or less a discount not to exceed 9 percent of the principal amount of the Bond, all as specified by the City Treasurer in the Certificate of the City Treasurer; and

**WHEREAS**, the Council hereby elects to have the provisions of Chapter 348 of NRS (the “Supplemental Bond Act”) apply to the Bond;

**WHEREAS**, the Council is therefore authorized by the Bond Act, without any further preliminaries:

- A. To commence the Refunding Project;
  - B. To issue and sell the Bond in the maximum principal amount of \$5,650,000;
- and
- C. To exercise the incidental powers provided in the Bond Act in connection with the powers authorized therein;

**WHEREAS**, the Council has determined and does hereby declare that each of the limitations and other conditions to the issuance of the Bond in the Bond Act, and in any other relevant act of the State or the Federal Government, has been met; and pursuant to Section 350.708 of the Bond Act, this determination of the Council that the limitations in the Bond Act have been met shall be conclusive in the absence of fraud or arbitrary or gross abuse of discretion; and

**WHEREAS**, the Council has determined and does hereby declare:

- A. This Ordinance pertains to the sale, issuance and payment of the Bond;
- B. Such declaration shall be conclusive in the absence of fraud or gross abuse of discretion in accordance with the provisions of Subsection 2 of NRS 350.579; and
- C. This Ordinance may accordingly be adopted as if an emergency now exists by an affirmative vote of all of the voting members of the Council (excluding from any such computation any vacancy on the Council and any member thereof who may vote only to break a tie vote), and this



Ordinance may become effective at any time when an emergency ordinance of the City may go into effect.

**NOW, THEREFORE, THE CITY COUNCIL OF CITY OF FALLON DOES ORDAIN:**

**SECTION 1. Short Title.** This Ordinance shall be known and may be cited as the “2020 Electric System Revenue Refunding Bond Ordinance.”

**SECTION 2. Definitions.** The terms in this section and in the preambles hereof defined for all purposes of this Ordinance and of any instrument amendatory hereof or supplemental hereto, and of any other instrument or any other document relating hereto, except where the context by clear implication otherwise requires, shall have the meanings in this section and in said preambles specified:

**“Banking Institution”** means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation.

**“Bond Requirements”** means the principal of, the interest on and any prior redemption premiums due in connection with the Bond, Parity Securities, as appropriate, as such principal, interest and premiums become due at maturity or on a Redemption Date, or otherwise.

**“Bond Year”** means the 12 month period commencing on May 2 of a calendar year and ending on May 1 of the following calendar year.

**“Certificate of the City Clerk/Treasurer”** means the certificate executed by the City Clerk/Treasurer of the City on or before the date of closing on the Bond.

**“Electric System”** means the Electric System of the City, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the City through purchase, construction or otherwise, and used in connection with such system of the City, and in any way pertaining thereto, whether or not located within or without or both within and without the boundaries of the City, including, without limitation, machinery, apparatus, structures, buildings and related or appurtenant furniture, fixtures and other equipment, as such system is from time to time extended, bettered or otherwise improved, or any combination thereof.

**“Escrow Account”** means the “City of Fallon, Nevada, Electric System Revenue Refunding Bonds, Series 2020 Escrow Account” created herein and held by the Escrow Bank.

**“Escrow Agreement”** means the “City of Fallon, Nevada, Electric System Revenue Refunding Bonds, Series 2020 Escrow Agreement” by and between the City and the Escrow Bank relating to the Refunded Bonds.

**“Escrow Bank”** means The Bank of New York Mellon Trust Company, N.A.

**“Federal Government”** means the United States, or any agency, instrumentality or corporation thereof.

**“Federal Securities”** means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States.

**“Fiscal Year”** means the 12 months commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year; but if the Nevada Legislature changes the statutory fiscal year relating to the City, the Fiscal Year shall conform to such modified statutory fiscal year from the time of each such notification, if any.

**“Gross Revenues”** means all income and revenues derived directly or indirectly by the City from the operation and use and otherwise pertaining to the Electric System or any part thereof.

**“Net Revenues”** means the Gross Revenues remaining after the deduction of Operation and Maintenance Expenses.

**“Operation and Maintenance Expenses”** means all reasonable and necessary current expenses of the City calculated in accordance with GAAP, paid or accrued, of operating, maintaining and repairing the Electric System, including, without limitation:

- (a) engineering, auditing, reporting, legal and other overhead expenses relating to the administration, operation and maintenance of the Electric System;

- (b) fidelity bond and property and liability insurance premiums pertaining to the Electric System or a reasonably allocable share of a premium of any blanket bond or policy pertaining to the Electric System;

- (c) payments to pension, retirement, health and hospitalization funds, and other insurance and to any self-insurance fund as insurance premiums not in excess of such premiums which would otherwise be required for such insurance;

- (d) any general taxes, assessments, excise taxes, or other charges which may be lawfully imposed upon the City, the Electric System, revenues therefrom or the City’s income from or operations of any properties under its control and pertaining to the Electric System, or any privilege in connection with the Electric System or its operations; provided that for purposes of this subparagraph (d), taxes, assessments, excise taxes, or other charges shall not include payments in lieu of taxes or other similar payments to the City general fund or other City fund;

- (e) the reasonable charges of any Paying Agent or Registrar and any depository bank pertaining to the Bond or any other securities payable from Gross Revenues or otherwise pertaining to the Electric System;

- (f) contractual services, professional services, salaries, other administrative expenses and costs of materials, supplies, repairs and labor pertaining to the Electric System or to the issuance of the Bond, or any other securities relating to the Electric System, including, without limitation, the expenses and compensation of any receiver or other fiduciary under the Bond Act;

- (g) the costs incurred by the Council in the collection and any refunds of all or any part of Gross Revenues;

- (h) any costs of utility services furnished to the Electric System;

- (i) any lawful refunds of any Gross Revenues; and

(j) all other administrative, general and commercial expenses pertaining to the Electric System;

but excluding:

(i) any general fund or other City fund transfers from the Revenue Fund;

(ii) any allowance for depreciation;

(iii) any costs of extensions, enlargements, betterments and other improvements, or any combination thereof;

(iv) any reserves for major capital replacements, other than normal repairs;

(v) any reserves for operation, maintenance or repair of the Electric System;

(vi) any allowance for the redemption of the Bond or other security or the payment of any interest thereon or any prior redemption premium due in connection therewith;

(vii) any liabilities incurred in the acquisition or improvement of any properties comprising any project or any existing facilities, or any combination thereof, pertaining to the Electric System, or otherwise; and

(viii) any liabilities imposed on the City for any grounds of legal liability not based on contract, including, without limitation, negligence in the operation of the Electric System.

**“Outstanding”** when used with reference to the Bond or any other designated securities payable from Net Revenues and as of any particular date means all of the Bond or other securities in any manner theretofore and thereupon being executed and delivered:

(a) Except the Bond or other security canceled by the City, the Paying Agent or otherwise on the City’s behalf, at or before such date;

(b) Except the Bond or other security for the payment or the redemption of which moneys at least equal to its Bond Requirements as defined herein to the date of maturity or to any Redemption Date shall have theretofore been deposited with a trust bank in escrow or in trust for that purpose, as provided in Section 46 hereof; and

(c) Except the Bond or other security in lieu of or in substitution for which another Bond or other security shall have been executed and delivered.

**“Parity Securities”** means securities of the City pertaining to the Electric System and payable from and secured by a lien on the Net Revenues on a parity with the Bond which are hereafter issued to the extent issued in accordance with the terms, conditions and limitations hereof.

**“Paying Agent”** means the City Clerk/Treasurer or any successor thereto or any successor paying agent for the Bond appointed by the Council.

**“Person”** means a corporation, firm, other body corporate (including, without limitation, the Federal Government, the State or any other body corporate and politic other than the City), partnership, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

**“Purchaser”** has the meaning ascribed to such term in the recitals hereof.

**“Redemption Date”** means a date fixed for the redemption prior to the respective maturities of the Bond or other designated securities payable from any Net Revenues in any notice of prior redemption or otherwise fixed and designated by the City.

**“Redemption Price”** means, when used with respect to the Bond or other designated security payable from any Net Revenues, the principal amount thereof plus accrued interest thereon to the Redemption Date plus the applicable premium, if any, payable upon the redemption thereof prior to the stated maturity date of the Bond or such other security on a Redemption Date in the manner contemplated in accordance with the security’s terms.

**“Refunding Project”** has the meaning ascribed to such term in the recitals.

**“Registrar”** the City Clerk/Treasurer or any successor thereto or any successor registrar for the Bond appointed by the Council.

**“Subordinate Securities”** means securities of the City pertaining to the Electric System and payable from and secured by a lien on the Net Revenues subordinate and junior to the pledge thereof to the Bond, to the extent issued in accordance with the terms, conditions and limitations hereof

**“Tax Code”** means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bond.

**“Trust Bank”** means a “Banking Institution”, as defined herein, which bank is authorized to exercise and is exercising trust powers, and also means any branch of the Federal Reserve Bank.

Other capitalized terms used herein shall have the meanings given to such terms in the text hereof, except where the context by clear implication otherwise requires.

**SECTION 3. Sale of the Bond.** The sale of the Bond to the Purchaser on the terms provided herein and in accordance with the Certificate of the City Clerk/Treasurer is hereby approved.

**SECTION 4. Ratification.** All action taken previously by the Council and the officers of the City directed toward the Refunding Project and toward the sale and issuance of the Bond is ratified, approved and confirmed.

**SECTION 5. Estimated Life of Facilities.** The Council, on behalf of the City, has determined and does hereby declare:

A. The estimated life or estimated period of usefulness of the facilities to be financed or refinanced with the Bond is not less than 20 years from the date of issuance of the Bonds; and

B. The Bond shall mature at such time or times not exceeding such estimated life or estimated period of usefulness.

**SECTION 6. Necessity of Refunding Project and Bond.** The Council hereby determines that it is necessary and in the best interests of the City, its officers, and the inhabitants of the City that the City effect the Refunding Project and defray wholly or in part the cost thereof by the issuance of the Bond therefor, and it is hereby so determined and declared.

**SECTION 7. Authorization of Refunding Project.** The Council hereby authorizes the Refunding Project.

**SECTION 8. Ordinance to Constitute Contract.** In consideration of the purchase and the acceptance of the Bond by those who shall own the same from time to time, the provisions hereof shall be deemed to be and shall constitute a contract between the City and the owners from time to time of the Bond.

**SECTION 9. Bond Equally Secured.** The covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the owners of any and all of the Outstanding Bond, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any portion of the Bond over any other thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

**SECTION 10. Limitations upon Security.** The payment of the Bond is not secured by an encumbrance, mortgage or other pledge of property of the City, except for the Net Revenues and any other moneys pledged for the payment of the Bond. No property of the City, subject to such exception, shall be liable to be forfeited or taken in payment of the Bond.

**SECTION 11. No Recourse Against Officers and Agents.** No recourse shall be had for the payment of the Bond Requirements of the Bond or for any claim based thereon or otherwise upon this Ordinance or any other instrument relating thereto, against any individual member of the Council or any officer or other agent of the Council or City, past, present or future, either directly or indirectly through the Council or the City, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Bond and as a part of the consideration of its issuance specially waived and released.

**SECTION 12. Authorization of Bond.** For the purpose of providing funds to pay the cost of the Refunding Project, the City shall issue the "City of Fallon, Nevada Electric System Revenue Refunding Bond, Series 2020" in the aggregate principal amount to be specified in the Certificate of the City Clerk/Treasurer, such principal amount not to exceed the aggregate principal amount of \$5,650,000.

**SECTION 13. Bond Details.**

A. The Bond shall be issued in fully registered form, i.e., registered as to both principal and interest, in compliance with Section 149 of the Tax Code, and the regulations of the Secretary of the Treasury thereunder. The Bond shall be dated initially as of the date of delivery thereof to the Purchaser, and shall be issued as a single bond in the principal amount set forth in the Certificate of the City Clerk/Treasurer. The Bond shall bear interest (calculated on the basis of a 360 day year of twelve 30 day months) from its date until its maturity date (or, if redeemed prior to maturity as provided

below, its redemption date) at the rate or rates per annum set forth in the Certificate of the Clerk/Treasurer on the unpaid principal thereof until the principal thereof is paid in full and as otherwise provided in the form of the Bond set forth in Section 21 herein. Interest payments shall be payable semiannually on May 1 and November 1 of each year commencing on the date provided in the Certificate of the City Clerk/Treasurer. Principal payments shall be payable annually on November 1, on the dates set forth in the Certificate of the City Clerk/Treasurer.

B. The installments of principal and interest on the Bond shall be paid by electronic funds transfer to the Purchaser, and otherwise by check or warrant made to the order of the registered owner of the Bond and mailed to the address of the registered owner shown on the registration records kept by the City Clerk/Treasurer acting in the capacity as the Registrar of the Bond, as of the close of business on the day immediately prior to such payment date, or if such date is not a business day, on or before the next succeeding business day. The Paying Agent may make payments of interest on the Bond by such alternative means as may be mutually agreed to between the owner of the Bond and the Paying Agent. All such payments shall be made in lawful money of the United State of America without deduction for any service charges of the Paying Agent or Registrar.

**SECTION 14. Prepayment Option.** Installments of principal on the Bond shall be subject to optional prepayment by the City prior to maturity on the dates, at the prices, and in the manner provided in the Certificate of the Clerk/Treasurer. If all or a portion of the principal of the bond is so called for prepayment, no payment of the principal of or interest on the Bond due on or after the date fixed for prepayment shall be made unless the Bond is presented to the Paying Agent and notation of the installments of principal redeemed is made on the Bond.

**SECTION 15. Negotiability.** Subject to the registration provisions herein provided, the Bond shall be fully negotiable within the meaning of and for the purpose of the Uniform Commercial Code - Investment Securities and each owner shall possess all rights enjoyed by holders of negotiable instruments under the Uniform Commercial Code - Investment Securities.

**SECTION 16. Registration, Transfer and Exchange of Bonds.** The Bond shall be subject to the following provisions relating to their registration, transfer and exchange:

A. Records for the registration of the Bond shall be kept by the Registrar. The person in whose name the Bond shall be registered, on the registration records kept by the Registrar, shall be deemed and regarded as the absolute owner thereof for the purpose of payment and for all other purposes; and payment of or on account of either principal or interest on the Bond shall be made only to or upon the written order of the owner thereof or his or her legal representative. All such payments shall be valid and effectual to discharge the liability upon the Bond to the extent of the sum or sums so paid.

B. If the Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the City may reasonability require, and upon payment of all expenses in connection therewith, authenticate and deliver a replacement Bond. If such lost, stolen, destroyed or mutilated Bond shall have matured or shall have been called for prepayment, the Registrar may direct that the Bond be paid by the Paying Agent in lieu of replacement.

C. The Registrar shall maintain at his office a registration record for the Bond showing the name and address of the registered owner and amounts and dates of any principal prepayments on the Bond.

**SECTION 17. Execution and Authentication.**

A. Prior to the execution of the Bond by facsimile signature and pursuant to Section 350.638, Bond Act, to the act known as the Uniform Facsimile Signatures of Public Officials Act, cited as Chapter 351, NRS, and to the Supplemental Bond Act, the Mayor of the City (the "Mayor") and the City Clerk/Treasurer shall file with the Secretary of State of Nevada his or her manual signature certified by him or her under oath.

B. The Bond shall be signed and executed in the name of and on behalf of the City with the manual or facsimile signature of the Mayor, shall be signed and executed with the manual or facsimile signature of the City Clerk/Treasurer, and shall bear a manual impression or a facsimile of an impression of the official seal of the City attested with the manual or facsimile signature of the City Clerk/Treasurer.

C. The Bond shall not be valid or obligatory for any purpose unless the certificate of authentication thereon, substantially in the form hereinafter provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer or employee of the Registrar, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bond issued hereunder. By authenticating any of the Bond initially delivered pursuant to this Ordinance, the Registrar shall be deemed to have assented to all of the provisions of this Ordinance.

D. The Mayor and the City Clerk/Treasurer are hereby authorized and directed to prepare and execute the Bond as provided herein.

**SECTION 18. Use of Predecessor's Signature.** The Bond bearing the signatures of the officers in office at the time of their execution shall be valid and binding obligations of the City, notwithstanding that before the delivery thereof and payment therefor any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. The Mayor and the City Clerk/Treasurer, at the time of the execution of a signature certificate relating to the Bond, may each adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office if such facsimile signature appears upon any of the Bond.

**SECTION 19. Incontestable Recital.** Pursuant to NRS 350.628, the Bond shall contain a recital that they are issued pursuant to the Bond Act, which recital shall be conclusive evidence of the validity of the Bond and the regularity of their issuance.

**SECTION 20. State Tax Exemption.** Pursuant to NRS 350.710, the Bond, its transfer and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof except the tax on estates imposed pursuant to the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to the provisions of Chapter 375B of NRS.

**SECTION 21. Form of Bond.** The Bond shall be in substantially the following form, said form to be completed with necessary or appropriate variations, insertions, omissions, or endorsements consistent with the provisions of this Ordinance:



(Form of Bond)

THIS BOND IS SUBJECT TO TRANSFER RESTRICTIONS  
TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

UNITED STATES OF AMERICA  
CITY OF FALLON, NEVADA  
ELECTRIC SYSTEM REVENUE REFUNDING BOND,  
SERIES 2020

No. \_\_\_\_\_

\$ \_\_\_\_\_

Interest Rate  
\_\_\_\_\_%

Dated As of  
\_\_\_\_\_, 2020

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Fallon (the "City"), in the State of Nevada (the "State"), for value received hereby promises, solely out of funds available for the purpose as hereinafter set forth, to pay to the registered owner hereof specified above or registered assigns the principal amount specified above or such lesser amount as shall be advanced to the City. The Bond shall bear interest on the principal amount hereof from the date of delivery of the Bond at the rate of interest per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months and subject to adjustment as provided herein) payable on each May 1 and November 1 commencing \_\_\_\_\_ 1, 20\_\_\_\_. The principal of the Bond shall be payable annually on the following dates in the following amounts:

*Date*  
*(November 1)*

*Principal Amount*

*Date*  
*(November 1)*

*Principal Amount*

The City Treasurer in Fallon, Nevada is acting as paying agent for the Bond (the “Paying Agent”) and as the City’s Registrar for the Bond (the “Registrar”). Installments of principal and interest on this Bond will be made by electronic funds transfer to the Registered Owner, or otherwise by check or warrant mailed by the Paying Agent on each payment date (or, if such date is not a business day, on the next succeeding business day) to the person in whose name this Bond is registered (the “registered owner”) in the registration records of the City maintained by the Registrar, at the address appearing thereon as of the close of business on the day next preceding such payment date. Alternative means of payment of interest may be used if mutually agreed to by the registered owner and the Paying Agent, as provided in the “2020 Electric Revenue Refunding Bond Ordinance,” adopted and approved by the City Council of the City on July 20, 2020 authorizing the issuance of this Bond (the “Ordinance”). All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or the Registrar.

Capitalized terms used in this Bond, which are not otherwise defined herein shall have the meanings ascribed to such terms in the Ordinance.

This Bond is a duly authorized bond of the City issued in the principal amount of \$\_\_\_\_\_,000 (the “Bond”) issued to defray, in part, the cost of the Refunding Project (as defined in the Ordinance) under the authority of and in full compliance with the constitution and laws of the State.

This Bond is issued pursuant to Nevada Revised Statutes (“NRS”) §§ 350.500 through 350.720, and all laws amendatory thereof, designated in § 350.500 thereof as the Local Government Securities Law (the “Bond Act”); and pursuant to NRS Chapter 348. Pursuant to § 350.628 of the Bond Act, this recital is conclusive evidence of the validity of the Bond and the regularity of its issuance. Pursuant to § 350.710 of the Bond Act, the Bond, its transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to the provisions of Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to the provisions of Chapter 375B of NRS.

This Bond is subject to optional prepayment prior to maturity as provided in the Ordinance and the Certificate of the Clerk/Treasurer.

It is hereby certified and recited that all of the requirements of law have been fully complied with by the proper officers of the City in the issuance of this Bond; and that the total indebtedness of the City, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or by the laws of the State.

Payment of the principal of and interest on this Bond is secured solely by a pledge of the Net Revenues derived by the City from the operation and use of, or otherwise pertaining to, the Electric System of the City.

This Bond is equally and ratably secured by such pledge of the Net Revenues, and such pledge constitutes an irrevocable lien thereon (but not necessarily an exclusive lien), which is on parity with the lien thereon securing the City's other Parity Securities. Additional securities may be issued and made payable from the Net Revenues and having a lien thereon subordinate to or on a parity with such pledge, in each case subject to the conditions of and in accordance with the Ordinance. The City is prohibited from issuing additional securities payable from the Net Revenues with a lien thereon which is senior to the lien securing the Bond and the other outstanding Parity Bonds.

Reference is made to the Ordinance and to the Bond Act for an additional description of the nature and extent of the security for this Bond, the accounts, funds, or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the registered owner of this Bond with respect thereto, the terms and conditions upon which this Bond is issued, and a statement of rights, duties, immunities, and obligations of the City, and other rights and remedies of the owner of this Bond.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance may be amended or otherwise modified by action of the City taken in the manner and subject to the conditions and exceptions prescribed in the Ordinance. The pledge of Net Revenues under the Ordinance may be discharged at or prior to the respective maturities of the installments of principal or prior redemption of the Bond upon the making of provision for the payment thereof on the terms and conditions set forth in the Ordinance.

This Bond shall not be entitled to any benefits under the Ordinance, or be valid or obligatory for any purpose until the registration panel hereon shall have been manually signed on behalf of the Registrar.

[The City has designated the Bond as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.]

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise in respect to the Ordinance or any other instrument pertaining thereto, against any individual member of the Council, or any officer or other agent of the City, past, present or future, either directly or indirectly through the Council or the City, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

**IN WITNESS WHEREOF**, the City of Fallon, Nevada, has caused this Bond to be executed in its name by the manual signature of its Mayor, to be countersigned by the manual signature of its City Treasurer, and attested by the manual signature of its City Clerk and has caused the seal of the City to be reproduced hereon, all as of the \_\_\_ day of August, 2020, i.e., the date of delivery of this Bond.

CITY OF FALLON, NEVADA

(Manual Signature)

Mayor  
City of Fallon, Nevada

Countersigned:

(SEAL)

Attest:

(Manual Signature)

City Treasurer  
City of Fallon, Nevada

(Manual Signature)

City Clerk  
City of Fallon, Nevada

**(End of Form of Bond)**

**(Form of Registration Panel)**

**MANDATORY REGISTRATION FOR PAYMENT  
AS TO PRINCIPAL AND INTEREST**

The within single bond is registered in the office of the Treasurer of City of Fallon, Nevada, as Registrar in the name of the last owner listed below, and the principal amount of the Bond and interest thereon shall be payable only to such owner, all in accordance with the within- mentioned Ordinance.

<u>Date of Registration</u>	<u>Name of Owner</u>	<u>Address of Owner</u>	<u>Signature of Registrar</u>
_____, 2020			_____
_____	_____	_____	_____
_____	_____	_____	_____

**(End of Form of Registration Panel Appended to Bond)**

**(Form of Principal Prepayment Panel on Bond)**

**PREPAYMENT PANEL**

The following installments of principal (or portions thereof) of this Bond have been prepaid by City of Fallon, Nevada, in accordance with the terms of the within-mentioned Ordinance.

<u>Date of Prepayment</u>	<u>Due Date of Installments (or portions thereof)</u>	<u>Principal Amount Prepaid</u>	<u>Signature of Paying Agent</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**(End of Form of Principal Prepayment Panel on Bond)**

**(Form of Assignment for Bond)**

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and hereby irrevocably constitutes and appoints attorney, to transfer the same on the records kept for registration of the within Bond, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature Guaranteed  
\_\_\_\_\_

Name of Transferee:

\_\_\_\_\_

Address of Transferee:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Social Security or other tax  
identification number of  
Transferee:

\_\_\_\_\_

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

**(End of Form of Assignment for Bond)**

**SECTION 22. Delivery of the Bond; Use of Bond Proceeds.** When the Bond has been duly executed, the Clerk/Treasurer shall deliver it to the Purchaser upon receipt of the agreed purchase price, as stated in the Certificate of the Clerk/Treasurer.

The Clerk/Treasurer shall cause the proceeds of the Bond to be deposited as follows:

A. First, there shall be deposited into the Escrow Account to be held by the Escrow Bank pursuant to the terms of the Escrow Agreement, an amount fully sufficient, together with any other moneys therein (including any monies deposited therein from the debt service fund for the Refunded Bonds) and any initial cash balance remaining uninvested, to buy the Federal Securities designated in the Escrow Agreement for credit to the Escrow Account, to be used solely for the purpose of paying the Bond Requirements of the Refunded Bonds as provided in the Escrow Agreement.

B. Second, the balance of the proceeds of the Bond shall be deposited into the Costs of Issuance Account, a special account to be held under the control of the City hereby created, and shall be applied to the costs of issuing the Bond. After payment of the costs of issuance relating to the Bond, if there is a balance remaining in the Costs of Issuance Account, the remaining balance shall be deposited in the Bond Fund hereinafter created to be used to pay the principal of and interest on the Bond.

**SECTION 23. Use of Investment Gain.** Pursuant to NRS 350.658, and except as may otherwise be required herein, any gain from any investment and any reinvestment of any proceeds of the Bond (other than the Escrow Account) shall be deposited promptly upon the receipt of such gain at any time or from time to time into the Bond Fund hereinafter created, for the payment of the principal of or interest on the Bond or any combination thereof.

**SECTION 24. Tax Covenant.** The City covenants for the benefit of the owner or owners of the Bond that it will not take any action or omit to take any action with respect to the Bond, the proceeds thereof, any other funds of the City or any facilities financed or refinanced with the proceeds of the Bond if such action or omission (i) would cause the interest on the Bond to lose its exclusion from gross income for federal income tax purposes under § 103 of the Tax Code or (ii) would cause interest on the Bond to lose its exclusion from alternative minimum taxable income as defined in § 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under § 56 of the Tax Code in calculating corporate alternative minimum taxable income. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bond until the date on which all obligations of the City in fulfilling the above covenant under the Tax Code have been met.

**SECTION 25. [Reserved].**

**SECTION 26. Payment of Bond.** The City covenants and agrees with each and every owner that the City will make the principal and interest payments on the Bond at the place, on the dates and in the manner specified according to the true intent and meaning thereof.

**SECTION 27. Purchaser Not Responsible.** The validity of the Bond shall not be dependent on nor be affected by the validity or regularity of any proceedings relating to the



Refunding Project, or any part thereof, or to the completion of the Refunding Project. Neither the Purchaser nor any subsequent owner of the Bond shall in any manner be responsible for the application by the City or by any of its officers, agents and employees of the moneys derived from the sale of the Bond or of any other moneys herein designated.

**SECTION 28. Pledge of Net Revenues.** Subject only to the provisions of this Ordinance permitting the application thereof for or to the purposes and on the terms and conditions set forth herein, there are hereby additionally pledged to secure the payment of principal of and interest on the Bond in accordance with the provisions of this Ordinance, all of the Net Revenues. This pledge shall be valid and binding from and after the date of the delivery to the Purchaser of the Bond. The Net Revenues, as received by the City shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing or further act; and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City (except as herein otherwise provided) irrespective of whether such parties have notice thereof. The lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any and all other obligations and liabilities of the City payable from the Net Revenues, except for any Outstanding Parity Securities as herein provided. The lien of this pledge for the Bond and any Parity Securities shall be equitably and ratably secured by the pledge of Net Revenues hereunder, and the Bond and any Parity Securities are not entitled to any priority one over the other in the application of Net Revenues.

**SECTION 29. Revenue Fund.** So long as the Bond shall be Outstanding, the entire Gross Revenues, upon their receipt from time to time by the City, shall be set aside and credited immediately to a separate account heretofore created in the treasury of the City, reestablished hereby, and designated as the "City of Fallon Electric System Enterprise Fund" (the "Revenue Fund"). So long as any of the Bond shall be Outstanding, the Revenue Fund shall be administered and the moneys on deposit therein shall be applied in the order of priority specified in Sections 30 through 34.

**SECTION 30. Operation and Maintenance Account.** First, from time to time there shall be transferred and credited to a separate account heretofore created and reestablished hereby in the treasury of the City and designated as the "City of Fallon Electric System Operation and Maintenance Account" (the "Operation and Maintenance Account"), moneys sufficient to pay Operation and Maintenance Expenses, as budgeted and approved in accordance with law, as such expenses become due and payable, and thereupon they shall be promptly paid. Any surplus remaining in the Operation and Maintenance Account at the end of the Fiscal Year of the City and not needed for Operation and Maintenance Expenses shall be transferred back to the Revenue Fund.

**SECTION 31. Parity Bond Fund.** Second, from any moneys thereafter remaining in the Revenue Fund and concurrent with transfers to the Bond Fund and any required reserve funds or accounts created with respect to the Bond and any Parity Securities, there shall be transferred and credited to the Bond Fund monthly, commencing on the first day of the month immediately succeeding the delivery date of the Bond, an amount in substantially equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installments of principal and interest on the Outstanding Bond or Parity Securities, as the case may be. The money credited to the Bond Fund shall be used to pay the Bond Requirements of the Bond as such Bond Requirements become due.

**SECTION 32. Rebate Account.** Third, after the aforementioned deposits, and from the Net Revenues there shall be transferred and credited to a special and separate account hereby created and designated as the “City of Fallon, Electric System Revenue Refunding Bond, Series 2020, Rebate Account” (the “Rebate Account”) and to any other fund or account established for payment of amounts due the United States under Section 148(f) of the Tax Code in connection with the Parity Securities in such amounts as are required to be deposited therein to meet the City’s obligations under the covenant contained in Section 24 hereof, in accordance with Section 148(f) of the Tax Code. Such deposits shall be made at such times as are required by Section 148(f) of the Tax Code and such covenant and amounts in the Rebate Account shall be used for the purpose of making the payments to the United States required by such covenant and Section 148(f) of the Tax Code. Any amounts in the Rebate Account in excess of those required to be on deposit therein may be withdrawn therefrom and deposited into the Revenue Fund.

**SECTION 33. Payment of Subordinate Securities.** Fourth, any moneys thereafter remaining in the Revenue Fund may be used by the City for the payment of the principal of and interest on with respect to, Subordinate Securities; and may be used to create reasonable reserves for such securities.

**SECTION 34. Surplus Revenues.** Fifth, any moneys thereafter remaining in the Revenue Fund may be used by the City at the end of any Fiscal Year of the City, or whenever there shall have been credited all amounts required to be deposited in the respective foregoing separate accounts for all of that Fiscal Year, for any lawful purposes of the City, as the Council may from time to time determine, including, without limitation, for the creation of operation and maintenance reserves and capital reserves, the payment of capital costs and major maintenance costs of the Electric System, to pay any other obligations pertaining to the Electric System or otherwise.

**SECTION 35. Termination of Deposits.** No payment need be made into the Bond Fund if the amounts in that fund total a sum at least equal to the entire amount of the Outstanding Bond as to all Bond Requirements to their respective maturities both accrued and not accrued, in which case moneys in such fund in an amount, except for any interest or other gain to accrue from any investment of moneys in Federal Securities from the time of any such investment to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Bond Requirements, shall be used, together with any such gain from such investments, solely to pay such Bond Requirements as the same become due.

**SECTION 36. Equal Security.** The Bond and any Parity Securities from time to time outstanding shall be equally and ratably secured by the pledge of Net Revenues hereunder and shall not be entitled to any priority one over the other in the application of the Net Revenues regardless of the time or times of the issuance of the Bond and any Parity Securities.

**SECTION 37. Defraying Delinquencies.** If at any time the City shall for any reason fail to pay into the Bond Fund or the Rebate Account the full amount above stipulated from the Net Revenues, then an amount shall be paid first into the Bond Fund and second into the Rebate Account at such time equal to the difference between that paid from the Net Revenues and the full amount so stipulated. If the Bond or other Parity Securities are outstanding, and if the proceedings authorizing issuance of those securities require the replacement of moneys in a bond fund, reserve fund or rebate account therefor, then the moneys replaced in such funds shall be replaced on a pro rata basis related to the principal amount of the then Outstanding Bond and the then Outstanding Parity Securities, as

moneys become available therefor, first into all of such bond and reserve funds and second into all such rebate accounts.

**SECTION 38. Conditions to Issuance of Additional Parity Securities.**

A. Nothing herein permits the issuance by the City of bonds or other obligations secured by a lien on the Net Revenues which is superior to the lien thereon securing the Bond.

B. Nothing herein, except as expressly hereinafter provided, shall prevent the issuance by the City of Parity Securities payable from Net Revenues and constituting a lien thereon on a parity with the lien thereon of the Bond, provided, however, that the following are express conditions to the authorization and issuance of any such Parity Securities:

1. At the time of adoption of the instrument authorizing the issuance of the Parity Securities, the City shall not be in default in the payment of principal of or interest on the Bond.

2. The Net Revenues (subject to adjustments as hereinafter provided) projected by the City Clerk/Treasurer or an independent accountant or consulting engineer to be derived in the Fiscal Year following the issuance of such Parity Securities, will be not less than an amount equal to 125% of the principal and interest requirements (to be paid during that Fiscal Year) of the Outstanding Bond, the Outstanding Parity Securities and the Parity Securities proposed to be issued (excluding any reserves therefor).

C. In any determination of whether or not Parity Securities may be issued in accordance with the applicable foregoing earnings test, consideration shall be given to any probable estimated increase or reduction in Operation and Maintenance Expenses that will result from the expenditure of the funds proposed to be derived from the issuance and sale of the Parity Securities.

D. In any determination of whether or not Parity Securities may be issued in accordance with the applicable foregoing earnings test, the respective annual principal (or Redemption Price) and interest requirements shall be reduced to the extent such requirements are scheduled to be paid with moneys held in trust or in escrow for that purpose by any Trust Bank within or without the State, including the known minimum yield from any investment in Federal Securities.

E. A written certificate or written opinion by the City Clerk/Treasurer or an independent accountant or consulting engineer that the applicable foregoing earnings test is met shall be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver Parity Securities.

F. In connection with the authorization of any such Parity Securities, the Council may on behalf of the City adopt any additional covenants or agreements with the holders of such Parity Securities; provided, however, that no such covenant or agreement may be in conflict with the covenants and agreements of the City herein and no such covenant or agreement may be materially adverse to the interests of the holders of the Bond. Any finding of the Council to the effect that the foregoing requirements are met shall, if made in good faith, conclusively establish that the foregoing requirements have been met for purposes of this Ordinance.

**SECTION 39. Subordinate Securities Payable From Net Revenues.** Nothing herein, except as expressly hereinafter provided, shall prevent the City from issuing additional securities payable from Net Revenues and constituting a lien thereon subordinate to the lien thereon of the Bond and any Outstanding Parity Securities.

**SECTION 40. Issuance of Refunding Bonds.** At any time after the Bond, or any part thereof, is issued and remains Outstanding, if the Council shall find it desirable to refund the Outstanding Bond or other Outstanding securities payable from and constituting a lien upon the Net Revenues, the Bond or such other securities, or any part thereof, may be refunded only if the Bond or other securities at the time or times of their required surrender for their payment shall then mature or shall be then callable for prior redemption for the purpose of refunding them at the Issuer's option upon proper call, unless the holder or holders of all such Outstanding securities consent to such surrender and payment, regardless of whether the priority of the lien for the payment of any refunding securities on Net Revenues is changed.

**SECTION 41. Operation of the System.** The City shall at all times operate the Electric System properly and in a sound and economical manner and shall maintain, preserve and keep the Electric System properly, or cause the same so to be maintained, preserved and kept, in good repair, working order and condition. The City also shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the operation of the Electric System may be properly and advantageously conducted in conformity with standards customarily followed by municipalities operating Electric Systems of like size and character.

Except for the use of the Electric System or services pertaining thereto in the normal course of business, neither all nor a substantial part of the Electric System shall be sold, leased, mortgaged, pledged, encumbered, alienated or otherwise disposed of until all of the Bond has been paid in full, or unless provision has been made therefor as hereinafter provided.

**SECTION 42. Payment of Taxes, Etc.** The City shall pay or cause to be paid all taxes, assessments and other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the Electric System or any part thereof, or upon any portion of the Net Revenues, when the same shall become due. The City shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Electric System or any part thereof, except for any period during which the validity of the same is being contested in good faith by proper legal proceedings. The City shall not create or suffer to be created any lien or charge on the Electric System or any part thereof, or upon the Net Revenues, except the pledge and lien created by this Ordinance for the payment of the Bond and any Outstanding Parity Securities or Subordinate Securities issued in accordance herewith, and except as herein otherwise permitted. The City shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge within 60 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Electric System or any part thereof, or upon the Net Revenues. Nothing herein contained requires the City to pay or cause to be discharged or to make provision for any such tax, assessment, lien, charge or demand before the time when payment thereon shall be due, or so long as the validity thereof shall be contested in good faith by appropriate legal proceedings.

**SECTION 43. No Competing Facilities.** The City shall neither construct nor permit to be constructed other facilities or structures to be operated by the City separate from the Electric System

and competing for Net Revenues otherwise available for the payment of the Bond or any other securities payable from Net Revenues; provided, however, that nothing herein contained shall impair the police powers of the City or otherwise cause the City to violate any applicable law.

**SECTION 44. Rate Covenant.** The City shall charge against users or against purchasers of services or commodities pertaining to the Electric System such fees, rates and other charges as shall be sufficient to produce Gross Revenues annually which, together with any other funds available therefor, will be in each Fiscal Year of the City at least equal to the sum of:

A. an amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year;

B. an amount equal to 125% of the debt service due in such Fiscal Year on the then Outstanding Bond, any Outstanding Parity Securities and 100% of all debt service payable from the Net Revenues; and

C. any other amounts payable from the Net Revenues and pertaining to the Electric System, including, without limitation, debt service on any Subordinate Securities and any other securities pertaining to the Electric System, operation and maintenance reserves, capital reserves and prior deficiencies pertaining to any account relating to Gross Revenues.

The foregoing rate covenant is subject to compliance by the City with any legislation of the United States of America, the State or other governmental body, or any regulation or other action taken by the United States, the State or any agency or political subdivision of the State pursuant to such legislation, in the exercise of the police power thereof for the public welfare, which legislation, regulation or action limits or otherwise inhibits the amounts of fees, rates and other charges subject to collection by the City for the use of or otherwise pertaining to, and all services rendered by, the Electric System.

Subject to the foregoing, the City shall cause all fees, rates and other charges pertaining to the Electric System to be collected as soon as reasonable and shall provide methods of collection and penalties to the end that the Gross Revenues shall be adequate to meet the requirements hereof.

**SECTION 45. Accounts and Records.** So long as any portion of the Bond remains Outstanding, proper records of record and account shall be kept by the City, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Electric System and to all moneys pertaining thereto, including, without limitation, the Gross Revenues.

**SECTION 46. Defeasance.** When all Bond Requirements of the Bond have been duly paid, the pledge and lien and all obligations hereunder as to that Bond shall thereby be discharged and the Bond shall no longer be deemed to be outstanding within the meaning of this Ordinance. There shall be deemed to be due payment of any Outstanding Bond when the City has placed in escrow or in trust with a trust bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the Bond as the same become due to the final maturity of the Bond. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed in accordance with a schedule

established and agreed upon between the City and the bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as so needed to meet the schedule. For the purpose of this Section, the term "Federal Securities" shall include only Federal Securities as defined in NRS 350.522 which are not callable for redemption prior to their maturities except at the option of the holder thereof. When such defeasance is accomplished, the Paying Agent shall mail written notice of the defeasance to the registered owner of the Bond at the address last shown on the registration records for the Bond maintained by the Registrar.

**SECTION 47. Bondowner's Remedies.** Each owner of the Bond shall be entitled to all of the privileges, rights and remedies provided herein, the Bond Act, the Supplemental Bond Act and this Ordinance, and as otherwise provided or permitted at law or in equity or by other statute, but subject to the provisions herein concerning the Net Revenues and the proceeds of the Bond. The Bond is expressly not subject to acceleration upon an event of default.

**SECTION 48. Right to Enforce Payment.** Nothing in this article affects or impairs the right of any owner of the Bond issued hereunder to enforce the payment of the Bond Requirements of the Bond or the obligation of the City to pay the Bond Requirements of each Bond to the owner thereof at the time and the place expressed in the Bond.

**SECTION 49. Events of Default.** Each of the following events is hereby declared an "Event of Default":

A. Nonpayment of Principal. Payment of the principal of the Bond, shall not be made when the same shall become due and payable, either at maturity or otherwise;

B. Nonpayment of Interest. Payment of any installment of interest shall not be made when the same becomes due and payable;

C. Incapable to Perform. The City shall for any reason be rendered incapable of fulfilling its obligations hereunder;

D. Nonperformance of Duties. The City shall have failed to carry out and, to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Net Revenues, or otherwise, including, without limitation, this Ordinance, and such failure shall continue for sixty (60) days after receipt of notice from the owners of ten percent (10%) in principal amount of the Bond then Outstanding.

E. Appointment of Receiver. An order or decree shall be entered by a court of competent jurisdiction with the consent or acquiescence of the City appointing a receiver or receivers for the Net Revenues and any other moneys subject to the lien to secure the payment of the Bond, or if an order or decree having been entered without the consent or acquiescence of the City, shall not be vacated or discharged or stayed on appeal within sixty (60) days after entry; and

F. Default of Any Provision. The City shall make default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bond or in this Ordinance on its part to be performed, and if such

default shall continue for sixty (60) days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by the owners of ten percent (10%) in principal amount of the Bond then Outstanding.

**SECTION 50. Remedies for Default.** Upon the happening and continuance of any of the Events of Default described in the preceding section, then and in every case the owner or owners of not less than a majority in principal amount of the Bond then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the City and its agents, officers and employees to protect and to enforce the rights of any owner of Bond under this Ordinance by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award of execution of any power herein granted for the enforcement of any proper, legal or equitable remedy as the owner or owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of the Bond, or to require the City to act as if it were the trustee of an express trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the Bond and any Parity Securities then Outstanding.

**SECTION 51. Receiver's Rights and Privileges.** Any receiver appointed in any proceedings to protect the rights of such owners hereunder, the consent of any such appointment being hereby expressly granted by the City, may collect, receive and apply all Net Revenues arising after the appointment of such receiver in the same manner as the City itself might do.

**SECTION 52. Rights and Privileges Cumulative.** The failure of any owner of any outstanding Bond to proceed in any manner herein provided shall not relieve the City, its Governing Body, or any of its officers, agents or employees of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of any such owner is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any of them shall not be deemed a waiver of any other right or privilege thereof.

**SECTION 53. Prejudicial Action Unnecessary.** Nothing in this article requires the City to proceed as provided herein if the Council determines in good faith and without any abuse of its discretion that if the City so proceeds it is more likely than not to incur a net loss rather than a net gain or such action is otherwise likely to affect materially and prejudicially the owners of the outstanding Bond and of any Outstanding securities on a parity with the Bond.

**SECTION 54. Replacement of Registrar or Paying Agent.** If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the Council shall reasonably determine that it is in the best interests of the City to approve a successor Registrar or Paying Agent, upon notice mailed to the owner of the Bond at his or her address last shown on the registration records, the Council may appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same institution or person serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution or person serve as both Registrar and Paying Agent.

Any corporation or association into which the Registrar or Paying Agent may be converted or merged, or with which they may be consolidated, or to which they may sell or transfer their corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer, to which they are a party, shall be and become the successor Registrar or Paving Agent under this Resolution, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything in this Resolution to the contrary notwithstanding.

**SECTION 55. Amendments.** This Ordinance may be amended or supplemented by instruments adopted by the City, without receipt by the City of any additional consideration, but with the written consent of the owners of at least a majority in aggregate principal amount of the Bond authorized by this Ordinance and Outstanding at the time of the adoption of the amendatory or supplemental instrument, excluding bonds which may then be held or owned for the account of the City, but including such refunding securities as may be issued for the purpose of refunding any of the Bond if the refunding securities are not owned by the City. No such instrument shall permit:

A. A change in the maturity or in the terms of redemption of the principal or any installment thereof of the Outstanding Bond or any installment of interest thereon;

B. A reduction in the principal amount of the Bond, the rate of interest thereon, without the consent of the owner of the Bond;

C. A reduction of the principal amount or percentages or otherwise affecting the description of the portion of the Bond of which the consent of the owners thereof is required for any modification or amendment;

D. The establishment of priorities as between the Bond issued and Outstanding under the provisions of this Ordinance; or

E. The modification of, or other action which materially and prejudicially affecting the rights or privileges of the owners of less than all of the Bond then Outstanding.

Whenever the City proposes to amend or modify this Ordinance under the provisions of this Section, it shall cause notice of the proposed amendment to be given not later than 30 days prior to the date of the proposed enactment of the amendment by mailing to the owners thereof. The notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory instrument is on file in the office of the City Clerk/Treasurer for public inspection.

Whenever at any time within one year from the date of the mailing of such notice there shall be filed in the office of the City Clerk/Treasurer an instrument or instruments executed by the owners of a majority of the Bond which instrument or instruments shall refer to the proposed amendatory instrument described in the notice and shall specifically consent to and approve the adoption of the instrument, thereupon, but not otherwise, the City may adopt the amendatory instrument and the instrument shall become effective.



The Bond authenticated and delivered after the effective date of any action taken as in this Article provided may bear a notation by endorsement or otherwise in form approved by the City as to the action.

**SECTION 56. Delegated Powers.** The officers of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limitation:

- A. The printing of the Bond;
- B. The execution of such certificates as may be reasonably required by the Purchaser relating to the signing of the Bond, the tenure and identity of the officials of the City, the exclusion of interest on the Bond from gross income for federal income tax purposes to the extent provided herein, the delivery of the Bond and the receipt of the Bond purchase price, if it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity of the Bond, and the completeness and accuracy of any information provided the Purchaser in connection with the Bond as of the date of delivery of the Bond;
- C. The execution of the Certificate of the City Clerk/Treasurer and the Escrow Agreement; and
- D. The sale and issuance of the Bond pursuant to the provisions of this Ordinance.

**SECTION 57. Ordinance Irrepealable.** After any of the Bond is issued, this Ordinance shall constitute an irrevocable contract between the City and the owner or owners of the Bond; and this Ordinance shall be and shall remain irrepealable until the Bond, as to all Bond Requirements, shall be fully paid, canceled and discharged as herein provided.

**SECTION 58. Repealer.** All ordinances, resolutions, bylaws and orders, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance, resolution, bylaw or order, or part hereof, heretofore repealed.

**SECTION 59. Publication and Effective Date.** The Council has expressed in the preambles to this Ordinance that it pertains to the sale, issuance, or payment of the Bond, and that this instrument may accordingly be adopted as if an emergency now exists. This Ordinance shall become effective after its publication by its title only, together with a statement that typewritten copies of this Ordinance are available for inspection by interested parties at the office of the City Clerk/Treasurer, such publication to be made in a newspaper or newspapers published in Churchill County and which is of general circulation in the City and such publication to be in substantially the following form:

(Form of Publication of Adoption of Ordinance)

BILL NO. \_\_\_\_

ORDINANCE NO. \_\_\_\_

**AN ORDINANCE DESIGNATED BY THE SHORT TITLE  
“2020 ELECTRIC REVENUE REFUNDING BOND  
ORDINANCE”; PROVIDING FOR THE ISSUANCE BY CITY  
OF FALLON, NEVADA OF ITS ELECTRIC SYSTEM  
REVENUE REFUNDING BOND, SERIES 2020; PROVIDING  
THE FORM, TERMS AND CONDITIONS OF THE BOND,  
THE USE OF ITS PROCEEDS AND PROVIDING FOR THE  
SALE THEREOF; SECURING ITS PAYMENT BY A  
PLEDGE OF REVENUES DERIVED FROM THE ELECTRIC  
SYSTEM OF THE CITY; RATIFYING ACTION  
PREVIOUSLY TAKEN TOWARD THE ISSUANCE OF THE  
BOND; PROVIDING FOR ADOPTION AS IF AN  
EMERGENCY EXISTS, AND PROVIDING OTHER  
MATTERS RELATING THERETO.**

PUBLIC NOTICE IS HEREBY GIVEN that the above entitled Ordinance was proposed by Councilman \_\_\_\_\_ at the regular meeting of the City of Fallon City Council held on July 20, 2020, and was passed and adopted at the regular meeting of the City of Fallon City Council held on July 20, 2020, by the following vote of the City Council:

Those Voting Aye:

Kelly Frost  
Karla Kent  
James Richardson

Those Voting Nay:

\_\_\_\_\_  
\_\_\_\_\_

Those Absent:

\_\_\_\_\_  
\_\_\_\_\_

This Ordinance shall be in full force and effect from and after the \_\_\_\_ day of July, 2020.

IN WITNESS WHEREOF, the City Council of the City of Fallon, Nevada has caused this Ordinance to be published by title only.

DATED this July 20, 2020.

/s/ Ken Tedford Jr.  
Mayor

Attest:

/s/ Sean Richardson  
City Clerk/Treasurer

(End of Form of Publication)

**SECTION 60. Severability.** If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

(SEAL)

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Mayor

Attest:

---

City Clerk  
City of Fallon, Nevada

This Ordinance shall be force and effect from and after the \_\_\_\_ day of July, 2020.

STATE OF NEVADA            )  
  ) ss.  
COUNTY OF CHURCHILL    )

I, Sean Richardson, the duly chosen, qualified and acting City Clerk/Treasurer of City of Fallon, Nevada (the "City") do hereby certify:

1. The foregoing pages are a true, perfect and a complete copy of an ordinance and adopted by the Council at a lawful meeting of the Council held on July 20, 2020, as recorded in the official record book of the proceedings of the City kept in my office.

2. The members of the Council voted on the introduction of the ordinance on July 20, 2020 as follows:

Those Voting Aye:           Kelly Frost  
                                  Karla Kent  
                                  James Richardson

Those Voting Nay:           \_\_\_\_\_

Those Absent:                \_\_\_\_\_

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

4. All members of the Council were given due and proper notice of the meeting. Pursuant to NRS 241.020 and Governor Sisolak's Declaration of Emergency Directive 006 entered on March 22, 2020, and extended by Emergency Directive 016 entered on April 29, 2020, by Emergency Directive 018 entered on May 7, 2020, by Emergency Directive 021 entered on May 28, 2020, and by Emergency Directive 026 entered on June 29, 2020, written notice of the meeting was given not later than 9:00 a.m. on the third working day before the meeting including in the notice the time, place, location, and agenda of the meeting:

(a) By posting a copy of the notice at least three working days before the meeting on the City's website; at the principal office of the Council, or if there is no principal office, at the building in which the meeting is to be held; and on the State of Nevada public notice website;

and

(b) By mailing a copy of the notice 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.

5. Upon request, the Council provides at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance or regulation which will be discussed at the public meeting, and any other supporting materials provided to the Council for an item on the agenda, except for certain confidential materials and materials pertaining to closed meetings, as provided by law.

6. A copy of the notice so given of the meeting of the Council held on July 20, 2020 is attached to this certificate as Exhibit A.

7. A copy of the affidavit of publication of the Ordinance by title after its adoption is attached to this certificate as Exhibit B.

**IN WITNESS WHEREOF**, I have hereunto set my hand this July 20, 2020.

(SEAL)

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Sean Richardson, City Clerk/Treasurer

**EXHIBIT A**

**(Attach Copy of Notice of Meeting of July 20, 2020)**

**EXHIBIT B**

**(Attach Affidavit of Publication of Notice of Adoption of an Ordinance)**



July 20, 2020

## Agenda Item 10

Presentation of the Police Department Report for June 2020.  
**(For possible action)**

**CITY OF FALLON**  
**REQUEST FOR COUNCIL ACTION**  
AGENDA ITEM NO. 10

**DATE SUBMITTED:** 7/7/20

**AGENDA DATE REQUESTED:** 7/20/20

**TO:** Mayor and Council

**FROM:** Kevin Gehman, Chief of Police

**SUBJECT:** Fallon Police Department Monthly Report for June 2020

**TYPE OF ACTION REQUESTED:** (Check One)

☐ Resolution

☐ Ordinance

☐ Formal Action/Motion

☒ Other (Specify) Review Only

**RECOMMENDED COUNCIL ACTION:** For review only

**DISCUSSION/ANALYSIS:** (Attachment, if necessary)

**FISCAL IMPACT:** None


**FUNDING SOURCE:**

**EXPLANATION OF IMPACT:**

**ALTERNATIVES:**

Prepared By: Wendy J. Mello 

Date 7/7/20

Reviewed By: Chief Kevin Gehman 

Date 7/7/20

**Presented by Kevin Gehman**

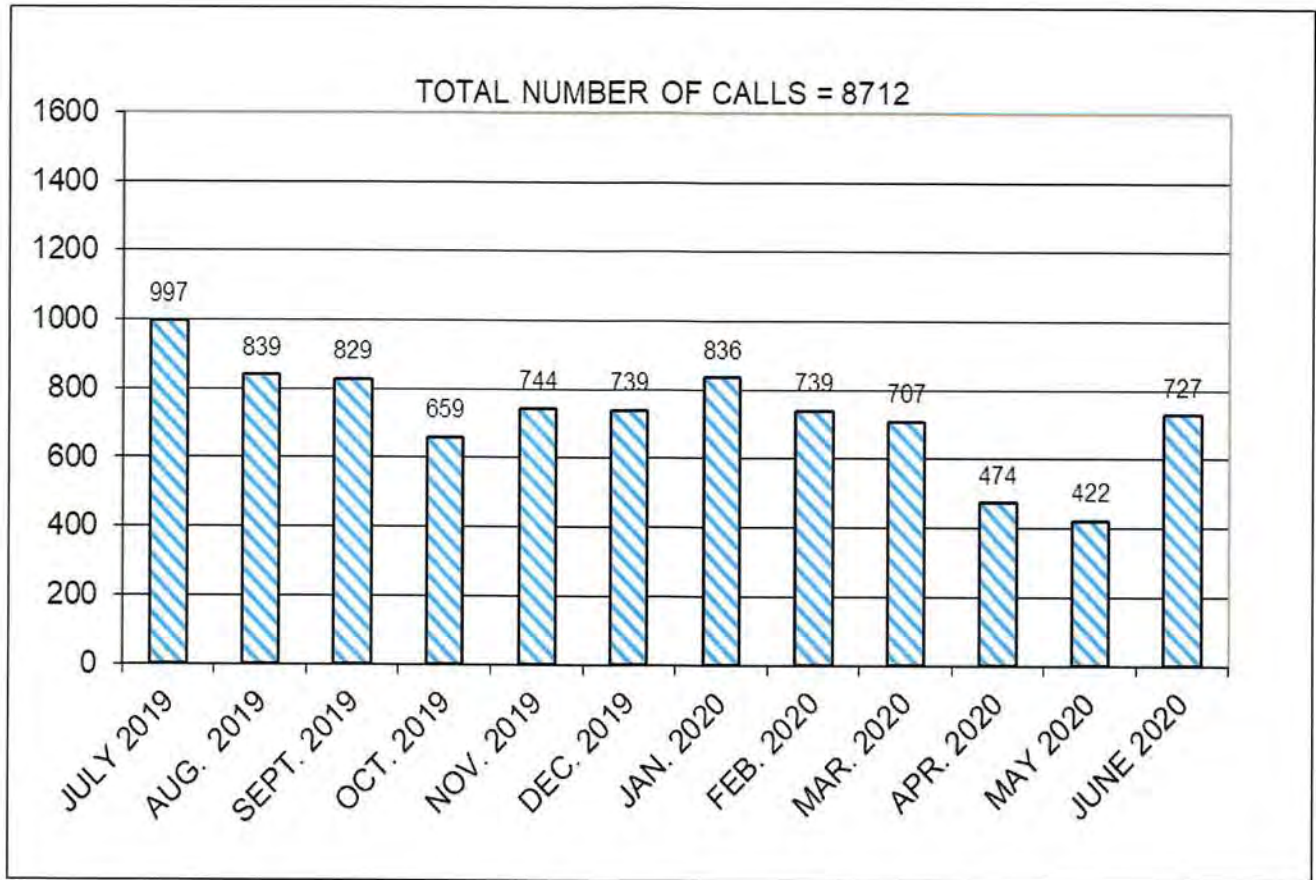
# MONTHLY ACTIVITY REPORT



JUNE 2020



**2019/2020**  
**Calls for Service/Total Incidents Reported**

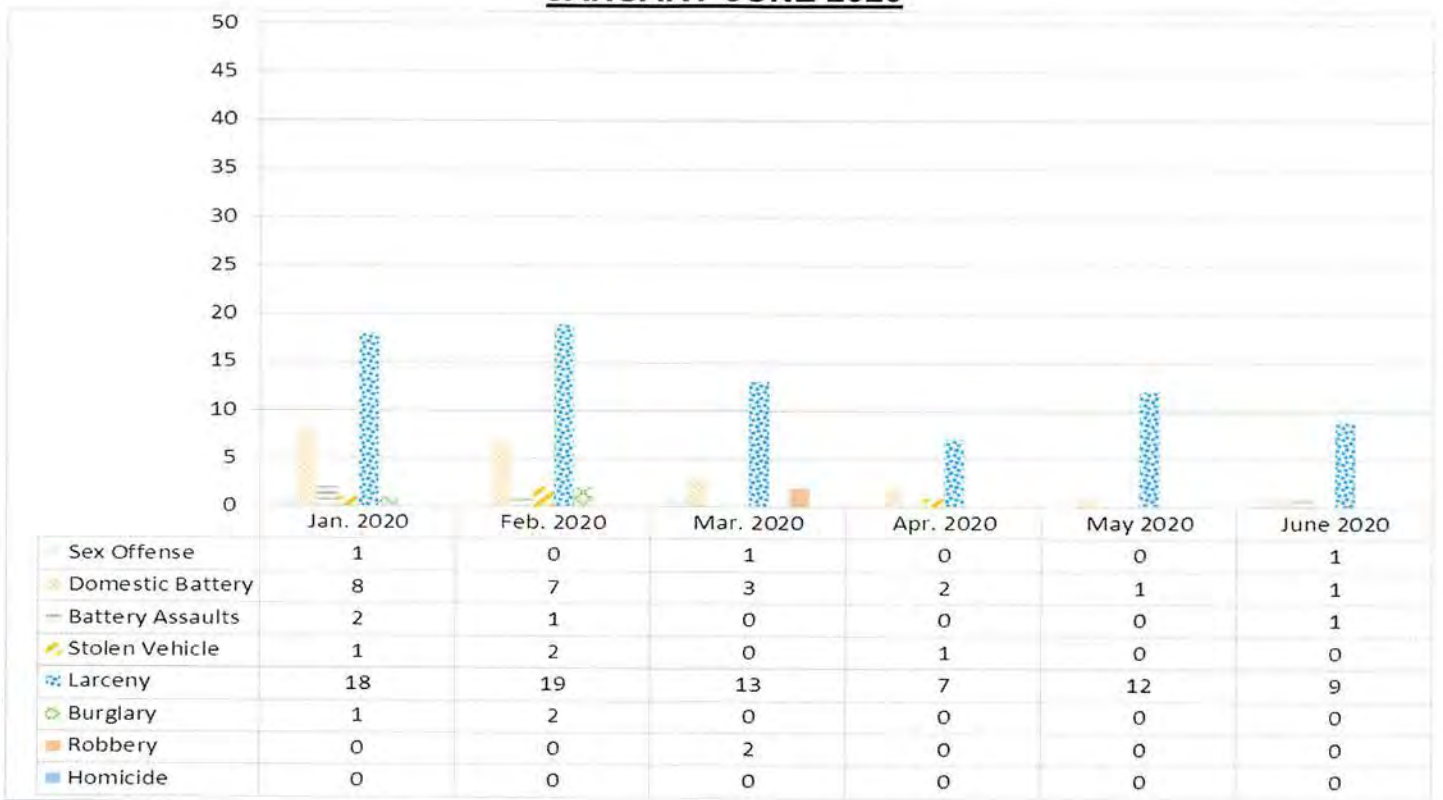


## **2019/2020 CRIME SUMMARY**

### **JULY-DECEMBER 2019**

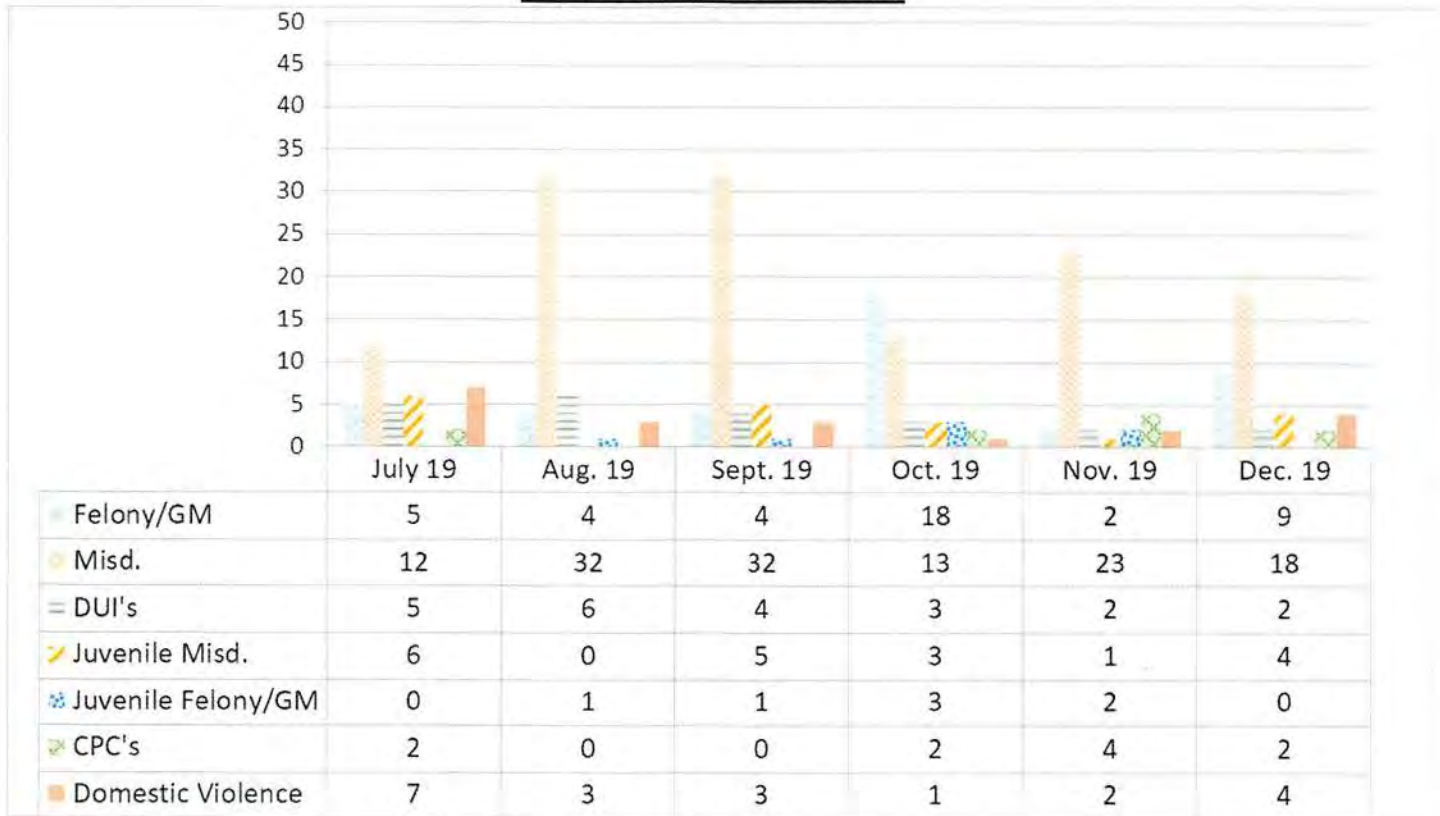


### **JANUARY-JUNE 2020**

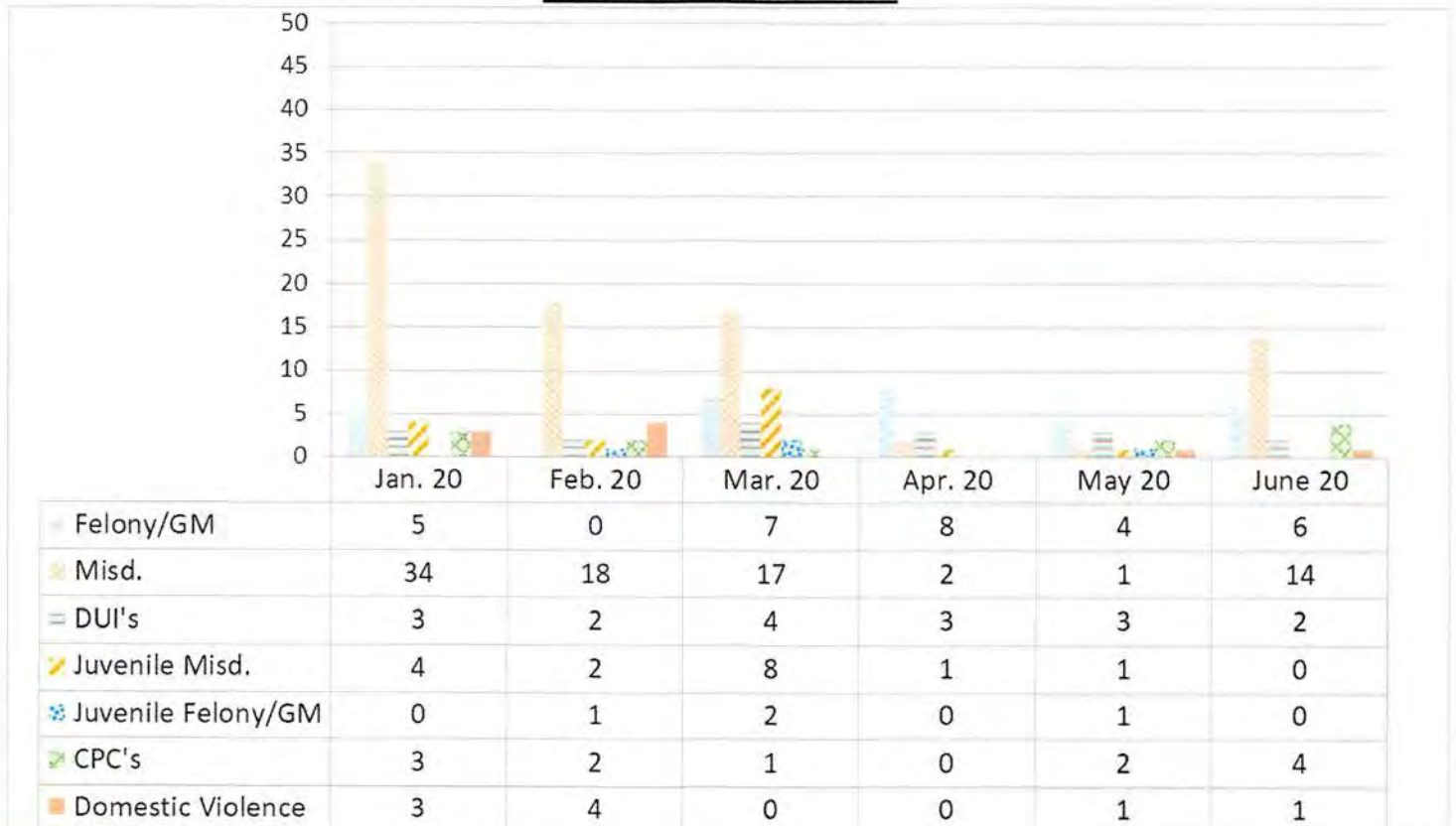


## **2019/2020 ARREST SUMMARY**

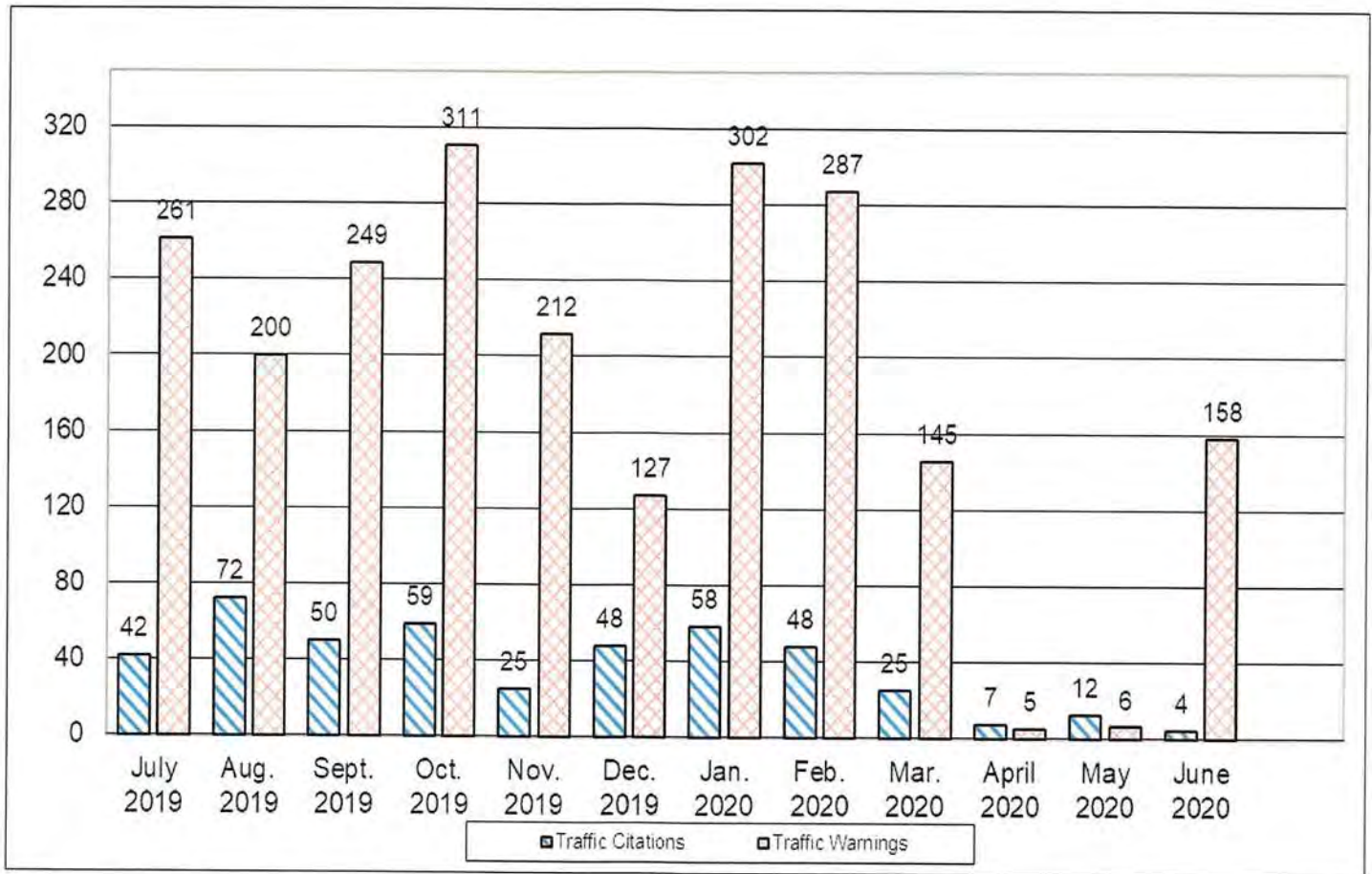
### **JULY-DECEMBER 2019**



### **JANUARY-JUNE 2020**

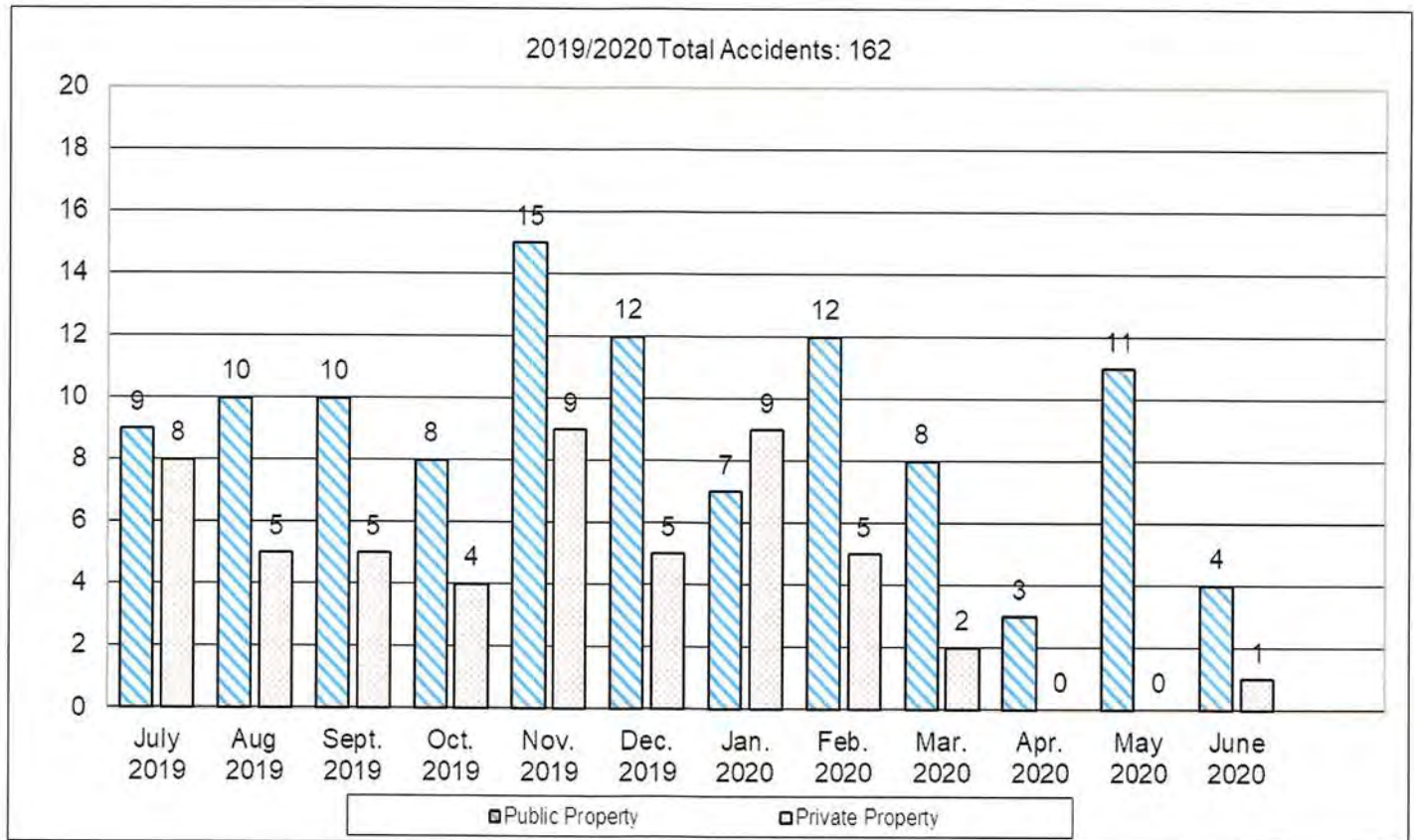


## 2019/2020 MOVING CITATIONS & TRAFFIC WARNINGS



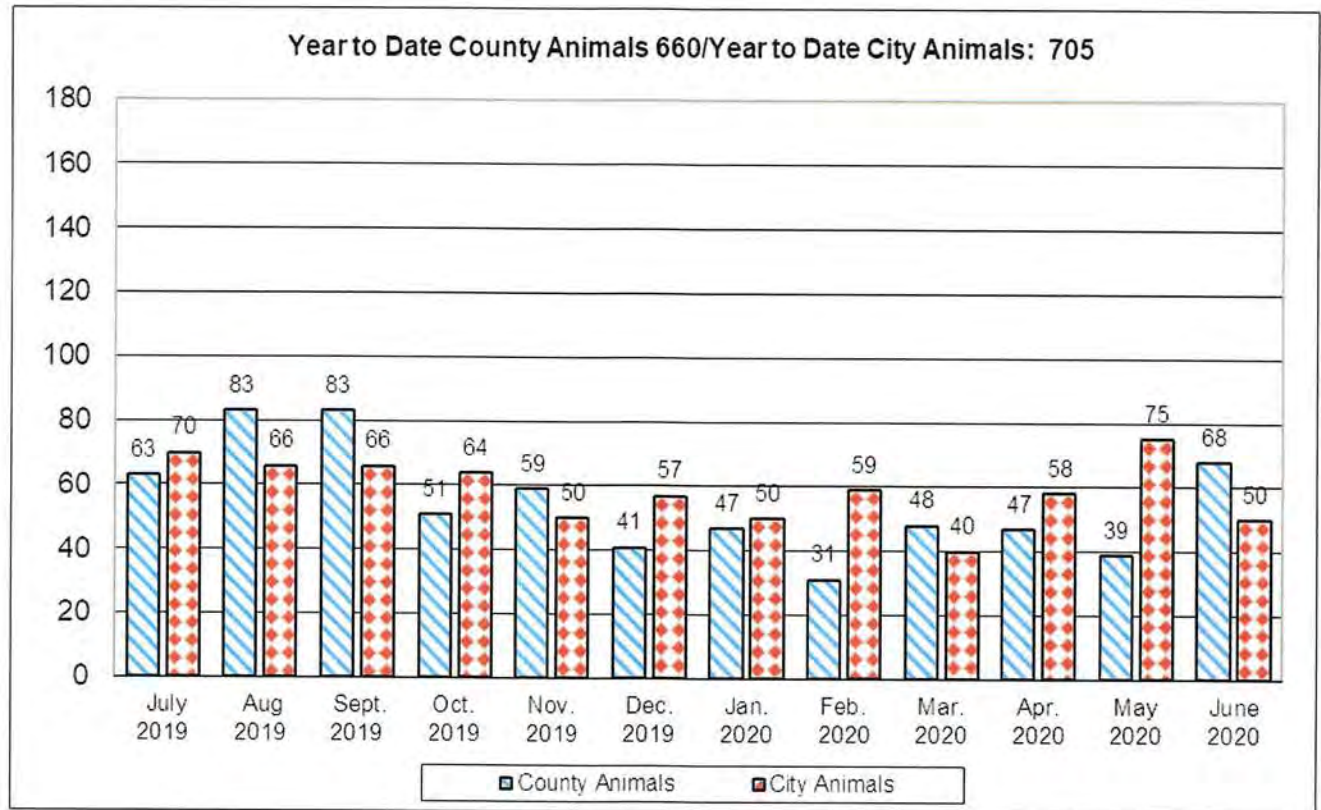


## 2019/2020 TRAFFIC ACCIDENTS





## 2019/2020 ANIMAL SHELTER SERVICE



**Fallon Police Department**  
**Citizen Survey Results**  
**June 2020**

**When you contacted the Police Department, how satisfied were you with the ability of the dispatcher or employee that assisted you?**

<u>VERY SATISFIED</u>	<u>SATISFIED</u>	<u>DISSATISFIED</u>	<u>NO OPINION</u>
3			

**Were you satisfied with the courtesy and concern shown by the dispatcher or employee?**

<u>VERY SATISFIED</u>	<u>SATISFIED</u>	<u>DISSATISFIED</u>	<u>NO OPINION</u>
3			

**Are you satisfied with the Police Department's response time?**

<u>VERY SATISFIED</u>	<u>SATISFIED</u>	<u>DISSATISFIED</u>	<u>NO OPINION</u>
3			

**Regarding your most recent contact, please rate the Officer in the following areas:**  
**Officer name(s) Sgt. Shyne**

	<u>VERY SATISFIED</u>	<u>SATISFIED</u>	<u>DISSATISFIED</u>	<u>NO OPINION</u>
Concern	1	1		
Courtesy	1	1		
Knowledge	1	1		
Problem Solving Ability	1	1		
Professional Conduct	1	1		

**Overall, how satisfied are you with the Fallon Police Department?**

<u>VERY SATISFIED</u>	<u>SATISFIED</u>	<u>DISSATISFIED</u>	<u>NO OPINION</u>
3			

**Fallon Police Department**  
**Citizen Survey Comments**  
**June 2020**

Sergeant Shyne is always very courteous, kind, caring and on top of things. He is a great guy for sure.

Since I moved to Fallon, I have to say thank you for all you do to keep myself, my pup and neighborhood safe.

Just a note to thank two of your officers who responded to a distress call at Oats Park last Wednesday. At one of the scariest moments in my life, your two officers offered kindness and helped me through a difficult time. Being fairly new to the Fallon area, it is nice to know there are caring and compassionate individuals serving and protecting our community. (Officers Schumann & Bernard)

We would like to take this opportunity to thank for the valuable part you all play in our community. You have our sincere gratitude for everything you do and for helping others thanklessly. If we can do anything to assist you, please let us know, you are in our thoughts and prayers.

**Fallon Police Department**  
**Activities / Special Events**  
**June 2020**

**TRAINING**

During the month of June, officers attended the following training:

June 21-25, 2020, Officers Schumann and Goodrick attended Instructor Development Training hosted by P.O.S.T in Carson City.

**VOLUNTEERS IN POLICE SERVICES**

During the month of June, our VIPs donated 40 total hours to the agency. They assisted with admin office duties as well as reaching out to all (38) of our “Helping Hands” program participants to see if there was anything, we could do for them during COVID-19. These participants are elderly, infirm, on oxygen, or unable to leave their homes without assistance.

**COMMUNITY RELATIONS**

The following community related actions were conducted by the Fallon Police Department.

June 15, 2020-Detective Decker completed indoctrination with twelve (12) sailors at the base. The one-hour training was completed without incident.

June 22, 2020-Detective Decker completed indoctrination with twelve (12) sailors at the base. The one-hour training was completed without incident.

June 26, 2020-Detective Decker completed indoctrination with twenty-nine (29) sailors at the Naval Aviation Warfighting Development Center (NAWDC). The one-hour training was completed without incident.

**RADAR TRAILER**

June 30, 2020-The radar trailer was set up close to 1290 Sherman Street for traffic going south bound.