

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HARRISONBURG, VIRGINIA DECLARING ITS INTENTION
TO REIMBURSE THE COST OF CERTAIN EXPENDITURES**

WHEREAS, the City Council of the City of Harrisonburg, Virginia (the “City”) desires to finance certain costs related to public utility improvements at the Dry River and North River intakes, including but not limited to installation of intake screens and a low water bridge and restoration of dam and stream banks (collectively, the “Project”);

WHEREAS, plans for the Project have proceeded and it is expected that the City will cause funds under its control to be advanced to pay expenditures related to the Project (each, an “Expenditure” and, collectively, the “Expenditures”) prior to such time as the City may be prepared to issue one or more series of tax-exempt bonds (“Bonds”) to finance such Project;

WHEREAS, the City intends for a portion of the proceeds of a future issue of Bonds to be available to reimburse the City for the payment of Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations, promulgated under the Internal Revenue Code of 1986, as amended (the “Code”), provides that to allocate proceeds of Bonds to reimbursement of Expenditures paid in advance of an issue of Bonds, the City must declare its official intent to allocate proceeds of Bonds to reimbursement of Expenditures;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HARRISONBURG, VIRGINIA:

1. The City intends to issue Bonds in a future period in an expected maximum principal amount of \$8,500,000 to finance the Project, and allocate a portion of the proceeds thereof to the reimbursement of Expenditures.

2. Each Expenditure to be reimbursed with Bond proceeds was or shall be either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of such Expenditure), or (b) a cost of issuance with respect to the Bonds.

3. The City intends to make a reimbursement allocation, which is a written allocation by the City that evidences the City’s use of proceeds of the Bonds to reimburse Expenditures, no later than 18 months after the later of (a) the date on which the first Expenditure for the Project was paid, or (b) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the date on which the first Expenditure was paid with respect to the Project, which period may be extended to five (5) years as and to the extent permitted under the applicable Treasury Regulations.

4. The City intends that the adoption of this resolution shall confirm the “official intent” of the City within the meaning of Treasury Regulations Section 1.150-2 to reimburse Expenditures paid not earlier than sixty (60) days prior to the date of adoption of this resolution and not later than the date of the final allocation described in paragraph 3 above.

5. This resolution shall take effect immediately upon its adoption.

CLERK’S CERTIFICATE

At a regular meeting of the City Council of the City of Harrisonburg, Virginia, held on the ___ day of December, 2024, at which the following members were present and absent:

<u>MEMBER</u>	<u>PRESENT</u>	<u>ABSENT</u>
Deanna R. Reed		
Laura Dent		
Christopher B. Jones		
Dany Fleming		
Monica Robinson		

the foregoing resolution, a true and correct copy of which precedes this certification, was adopted by at least a majority of all members of the City Council by a roll call vote, the ayes and nays being recorded in the minutes of the meeting as follows:

<u>MEMBER</u>	<u>AYE</u>	<u>VOTE</u>	<u>NAY</u>
Deanna R. Reed			
Laura Dent			
Christopher B. Jones			
Dany Fleming			
Monica Robinson			

WITNESS my hand and seal of the City of Harrisonburg, Virginia, this ___ day of December, 2024.

Clerk, City Council of the
City of Harrisonburg, Virginia