TOWN OF HERNDON, VIRGINIA
TOWN COUNCIL

RESOLUTION

DECEMBER 9, 2025

Resolution- of official intent to reimburse expenditures with proceeds of a borrowing for the Energy Performance Project.

The Town of Herndon, Virginia (the "Town"), desires to undertake an energy savings project involving the installation of new equipment (the "Project"). The Town intends to commence work on the Project and to advance its own funds to pay the related Project costs (the "Expenditures").

The Town may determine to issue tax-exempt obligations, taxable obligations, or a combination thereof (collectively, the "Bonds"), and use the proceeds to reimburse such Expenditures. The Town desires to preserve its option under federal tax law to make such reimbursement by adopting this Resolution.

THEREFORE, BE IT RESOLVED by the Town Council of the Town of Herndon, Virginia that:

1. The Town may utilize the proceeds of Bonds in an amount not currently expected to exceed $3,500,000 to pay or reimburse any Expenditures that are originally paid on or after the date of this Resolution (and including, as allowed under federal tax law, any Expenditures originally paid up to 60 days prior to the date of this Resolution).

2. Each Expenditure was or will be, unless otherwise approved by bond counsel, 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 the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the Town so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Town.

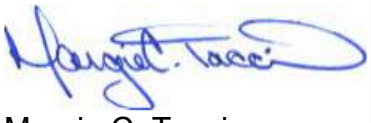
3. Any reimbursement allocation, which is a written allocation by the Town that evidences the Town's use of Bond proceeds to reimburse an Expenditure, will be made no later than 18 months after the *later of* the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is originally paid. Notwithstanding such time limitation, the Town recognizes that exceptions are also available under

federal tax law that allow reimbursements for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure) and expenditures for certain construction projects of at least five years.

4. The Town intends that the adoption of this Resolution confirms the "official intent" within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

5. This Resolution shall take effect immediately upon adoption.

A Copy – Teste:



Margie C. Tacci
Deputy Town Clerk



MOTION: **Hedrick**
SECOND: **Reyes**
RE: **Resolution 25-G-68**
ACTION: **Adopted**

Votes

Ayes: del Aguila, Garcia, Hedrick, Lloyd, Reyes, Mayor LeBlanc
Nays: None
Absent from Vote: Alam
Absent from Meeting: Alam