

RESOLUTION CONSENTING TO THE PROPOSAL BY THE MIDDLE RIVER REGIONAL JAIL AUTHORITY TO ISSUE REVENUE BONDS TO REFUND EXISTING INDEBTEDNESS AND TO PAY RELATED FINANCING AND ISSUANCE COSTS

WHEREAS, the County of Augusta, Virginia, the City of Staunton, Virginia, and the City of Waynesboro, Virginia (together, the “Original Member Jurisdictions”), established the Middle River Regional Jail Authority (the “Jail Authority”) pursuant to the provisions of Section 53.1-95.2 of the Code of Virginia of 1950, as amended (the “Virginia Code”), to provide for the financing, construction, equipping, operation and maintenance of the Middle River Regional Jail (the “Jail”);

WHEREAS, the City of Harrisonburg, Virginia (“Harrisonburg”), and the County of Rockingham, Virginia (together, the “Additional Member Jurisdictions”), became additional member jurisdictions of the Jail Authority, and together with the Original Member Jurisdictions and the Jail Authority, entered into an amended Service Agreement dated as of July 1, 2015 (the “Service Agreement”), to set forth the terms under which the Jail will be operated and maintained for the benefit of the Original Member Jurisdictions and the Additional Member Jurisdictions (collectively, the “Member Jurisdictions”);

WHEREAS, the Jail Authority issued and sold to the Virginia Resources Authority (“VRA”), a Jail Facility Revenue Refunding Bond, Series 2014 (the “2014 Bond”), and used the proceeds thereof to finance capital improvements to the Jail;

WHEREAS, Davenport & Company LLC, in its capacity as the financial advisor to the Jail Authority, has advised the board of the Jail Authority (the “Jail Board”) that it may achieve debt service savings by refunding all or a portion of the outstanding principal installments of the 2014 Bond (such refunded portion of the 2014 Bond, the “Refunded Bond”);

WHEREAS, the Jail Board adopted on April 2, 2024, a resolution authorizing the issuance and sale to VRA of a Jail Facility Revenue Refunding Bond (the “2024 Bond”) to refund the Refunded Bond, subject to certain terms and conditions set forth therein, including a condition that the refunding achieve an aggregate net present value debt savings of not less than 3.00% of the refunded par amount of the Refunded Bond (the “Targeted Savings”); and

WHEREAS, VRA has indicated its expectation that each Member Jurisdiction enter into a non-binding undertaking to appropriate from time to time moneys to the Jail Authority in connection with payments due under the Service Agreement, to be evidenced by the provisions of a support agreement (“Support Agreement”), which shall generally be consistent with the form of the support agreements or amended support agreements executed by each Member Jurisdiction and delivered to VRA in connection with the 2014 Bond;

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

1. Consistent with the purposes and intent of the Service Agreement, it is found and determined that it will be in the best interests of Harrisonburg for the Jail Authority to undertake a refunding of all or a portion of the outstanding principal installments of the 2014 Bond. The City

Council of Harrisonburg (the “City Council”) hereby consents to the issuance by the Jail Authority of the 2024 Bond in a principal amount necessary to refund the Refunded Bond and pay the related financing and issuance costs; provided that the refunding achieves the Targeted Savings.

2. In support of the Jail Authority’s sale of the 2024 Bond to VRA, the City Council hereby acknowledges that (i) the obligation of each Member Jurisdiction fully and timely to pay its share of the debt service on the 2024 Bond as specified in the Service Agreement, the documents related to the 2024 Bond and the Support Agreement, regardless of whether the Jail Authority is in compliance with or able to perform its obligations under the Service Agreement, is crucial to the security for the 2024 Bond; (ii) VRA has indicated that it will not purchase the 2024 Bond without the security and credit enhancement provided by the Support Agreement; (iii) VRA will be included as a third-party beneficiary of the Service Agreement for so long as the 2024 Bond remains outstanding; (iv) notwithstanding Section 6.7 of the Service Agreement, no Member Jurisdiction may withdraw from the Jail Authority or the Service Agreement without VRA’s prior written consent; and (v) VRA will treat the Support Agreement as a “local obligation” (within the meaning of Section 62.1-199 of the Virginia Code), which in the event of a nonpayment thereunder authorizes VRA or the trustee for VRA's bonds to file an affidavit with the Governor that a nonpayment has occurred for purposes of Section 62.1-216.1 of the Virginia Code. Section 62.1-216.1 provides that if the Governor is satisfied that such nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the nonpaying locality of all funds, or of any part of them, appropriated and payable by the Commonwealth of Virginia to such locality for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as possible, such nonpayment.

3. The Mayor, Vice-Mayor and the City Manager, any of whom may act, are hereby authorized and directed to execute and deliver a Support Agreement for the benefit of the Jail Authority and VRA. The Support Agreement shall be in substantially the form of the original support agreement or amended support agreement executed by the Member Jurisdictions and delivered to VRA in connection with the 2014 Bond, with such completions, omissions, insertions or changes not inconsistent with this resolution as may be approved by the City officer executing such instrument, the execution thereof by such officer to constitute conclusive evidence of his or her approval of such completions, omissions, insertions or changes.

4. The City Manager is hereby authorized and directed to carry out the obligations imposed on such officer by the Support Agreement, and to take all proper steps on behalf of Harrisonburg as may be required, in accordance with the Jail Authority's refunding plan described above.

5. Nothing contained in this Resolution or in the Support Agreement is or shall be deemed to be a lending of the credit of Harrisonburg to the Jail Authority, VRA or to any holder of the 2024 Bond or to any other person, and nothing contained in this Resolution is, or shall be, deemed to be a pledge of the faith and credit or the taxing power of Harrisonburg, nor shall anything contained in this Resolution or in the Support Agreement legally bind or obligate the City Council to appropriate funds for purposes described in the Support Agreement.

6. All actions previously taken, or requested to be taken, by representatives or agents of Harrisonburg in furtherance of the Jail Authority's issuance of the 2024 Bond and refunding of the Refunded Bond are hereby ratified, approved and authorized.

7. This resolution shall take effect immediately.

CERTIFICATION

The undersigned Clerk of Council of the City of Harrisonburg, Virginia, hereby certifies that (i) a meeting of the City Council was duly called and held on _____, 2024, and (ii) the foregoing constitutes a true, correct and complete copy of a Resolution adopted by the City Council at such meeting by an affirmative vote of a majority of the City Council members in attendance, as set forth below.

Member	Attendance (Present/Absent)	Vote (Aye/Nay/Abstain)
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Witness my hand this ____ day of _____, 2024.

Clerk of Council
City of Harrisonburg, Virginia