

RESOLUTION
OF THE CITY COUNCIL OF THE CITY OF HARRISONBURG, VIRGINIA,
ON THE ISSUANCE OF UP TO \$40,000,000 OF REVENUE BONDS
BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE TOWN OF
BROADWAY, VIRGINIA
FOR THE BENEFIT OF
VIRGINIA MENNONITE RETIREMENT COMMUNITY, INC.

WHEREAS, the Industrial Development Authority of the Town of Broadway, Virginia (the "Authority") has approved the application of Virginia Mennonite Retirement Community, Inc. (the "Organization"), a Virginia non-stock, not-for-profit corporation, requesting that the Authority issue up to \$40,000,000 of its revenue bonds in one or more series at one time or from time to time (the "Bonds") to assist the Organization with:

(a) financing certain capital improvements at the Organization's continuing care retirement community (the "Community") located at 1501 Virginia Avenue, Harrisonburg, Virginia 22802, which include but are not limited to (i) improvements in and around the "Woodland Park" area of the Community, including (A) five, 11-person, long-term health care homes (which will all be styled as GREEN HOUSE® homes with private bedrooms and bathrooms for the residents) each of which will be approximately 7,000 square feet, (B) an approximately 3,500 square foot community center, (ii) approximately 30 parking spaces adjacent to the foregoing facilities, (iii) connectivity improvements that will help integrate the foregoing facilities with the existing Community and (iv) routine and ongoing capital expenditures for the Community, working capital and funded interest;

(b) refunding all or a portion of the outstanding principal amount of the Industrial Development Authority of the City of Harrisonburg, Virginia Refunding Revenue Bonds (Virginia Mennonite Retirement Community), Series 2006A (the "Series 2006A Bonds") and Series 2006B (the "Series 2006B Bonds"), which were issued to refund the Industrial Development Authority of Rockingham County, Virginia Residential Care Facility First Mortgage Revenue Bonds (Virginia Mennonite Retirement Community), Series 1998A and Series 1998B, which were issued to finance and refinance the construction and renovation of improvements to the Community;

(c) financing costs of issuance incurred in connection with the refunding of all or a portion of the Series 2006A Bonds and Series 2006B Bonds (including the financing of all or a portion of payments related to terminating interest rate hedging transactions entered into in connection with the Series 2006A Bonds or the Series 2006B Bonds) and the issuance of the Bonds (collectively, the "Plan of Finance").

WHEREAS, the Authority held a public hearing on September 1, 2015;

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), provides that the governmental unit having jurisdiction over the issuer of private activity bonds and over the area in which any facility financed with the proceeds of private activity bonds is located must approve the issuance of the bonds and Section 15.2-4906 of the

Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended ("Act") sets forth the procedure for such approval;

WHEREAS, Section 15.2-4905 of the Act provides that if a locality has created an industrial development authority, no industrial development authority created by a second locality may finance a facility located in the first locality unless the governing body of such first locality concurs with the inducement resolution adopted by the second locality;

WHEREAS, the Community is located in the City of Harrisonburg, Virginia (the "City") and the City Council of the City (the "Council") constitutes the highest elected governmental unit of the City;

WHEREAS, in accordance with Section 147(f) of the Code, the public hearing held by the Authority was within 100 miles of the City;

WHEREAS, for purposes of Section 15.2-4906 of the Act, the Authority is issuing the Bonds on behalf of the City;

WHEREAS, the Authority has recommended that the Council approve the Plan of Finance and the issuance of the Bonds; and

WHEREAS, a copy of the Authority's resolution approving the issuance of the Bonds, subject to the terms to be agreed upon, a certificate of the public hearing and a Fiscal Impact Statement have been filed with the Council.

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

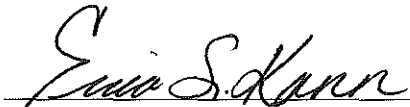
1. The Council approves the issuance of the Bonds, in an aggregate principal amount up to \$40,000,000, by the Authority for the benefit of the Organization, solely to the extent required by Section 147(f) of the Code and Section 15.2-4906 of the Act, to permit the Authority to assist in accomplishing the Plan of Finance.

2. The Council concurs with the resolution adopted by the Authority and approves the issuance of the Bonds by the Authority for the benefit of the Organization as required by Section 15.2-4905 of the Act.

3. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Plan of Finance or the Organization. In accordance with Section 15.2-4909 of the Act, the Bonds shall not be deemed to constitute a debt or a pledge of the faith and credit or taxing power of the Commonwealth or any political subdivision thereof, including the Authority and the City.

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

Adopted by the City Council of the City of Harrisonburg, Virginia, this 8th day of September, 2015.



Clerk
City Council of the City of Harrisonburg, Virginia

[SEAL]