

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF HARRISONBURG, VIRGINIA

WHEREAS, the Harrisonburg Redevelopment and Housing Authority (the “Authority”) was created pursuant to the Virginia Housing Authorities Law (the “Act”), found in Chapter 1, Title 36, Code of Virginia of 1950, as amended (the “Virginia Code”), and is now existing and operating as a public body corporate and politic, and the Act empowers the Authority to issue its notes or bonds in accordance with the provisions of the Act for the purpose of making loans for the prevention and elimination of slum or blighted areas, for assistance in housing construction or rehabilitation by private sponsors and to refund prior obligations issued for any such purposes; and

WHEREAS, Oakbrook Terrace II, L. P., a Virginia limited partnership (the “Borrower”), has applied to the Authority for the issuance of not to exceed \$6,000,000 of the Authority’s Multi-Family Housing Revenue Bonds (Oakbrook Terrace II, L. P. Project), Series 2017 (the “Bonds”), to provide financing for (a) the acquisition, renovation and equipping of a one-story, 80 unit, multi-family residential rental housing project, comprised of 20 residential buildings, a clubhouse and fitness and recreation facilities, on an approximately 19.42 acre site, known as Oakbrook Terrace Apartments and located in the incorporated town of Orange, Virginia (the “Town”), at 109 Oakbrook Drive, Orange, Virginia 22960, (b) the initial funding of debt service reserve and other funds, and (c) the payment of issuance and other transaction costs (collectively, the “Project”); and

WHEREAS, the Borrower, which will commence the acquisition, renovation and equipping of the Project promptly following the issuance of the Bonds, has its principal place of business at 415 S. Chesterfield St., Aiken, South Carolina 29801, in the City of Aiken, South Carolina; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), requires, among other things, the approval by this Council of the issuance of any new issue of private activity bonds after the Authority has held a public hearing to consider the issuance of such bonds as one of the acts required in order for the interest on such bonds to qualify for exemption from the imposition of federal income tax; and

WHEREAS, pursuant to due notice, the Authority has, on November 16, 2016, conducted a public hearing on the application of the Borrower for the issuance of such Bonds in compliance with the requirements of Section 147(f) of the Code, Section 15.2-4906 of the Code of Virginia of 1950, as amended, and Section 2 of Chapter 514 of the Acts of Assembly of 1983, and after such public hearing did adopt a resolution to assist in the issuance of not to exceed \$6,000,000 of its tax-exempt bonds, conditioned on the subsequent adoption of this resolution and a resolution by the Town Council (the “Town Council”) of the Town; and

WHEREAS, on December 12, 2016, the Town Council adopted a resolution making the findings required by Section 36-23 of the Virginia Code and authorizing the exercise by the Authority of its powers within the Town, and granting “host approval” for the Bonds as required by Section 147(f) of the Code and the Treasury Regulations issued pursuant thereto, Section

15.2-4906 of the Code of Virginia of 1950, as amended, and Section 2 of Chapter 514 of the Acts of Assembly of 1983; and

WHEREAS, pursuant to Section 146 of the Code, Title 15.2, Chapter 50 of the Virginia Code and the Virginia Private Activity Bond Allocation Guidelines, promulgated by the Virginia Department of Housing and Community Development (“DHCD”), an allocation from the “State ceiling” (as defined in Section 146 of the Code) limitation on the volume of private activity notes or bonds which may be issued in the Commonwealth of Virginia in 2017 (“Volume Cap”) must be granted by DHCD, in its capacity as Allocation Administrator, in order for the interest on the Bonds to be exempt from the imposition of federal income tax, for which allocation of Volume Cap an application must be submitted by the Authority to DHCD; and

WHEREAS, the Authority has recommended that the Council approve the issuance of the Bonds and support the Authority’s application to DHCD for an allocation to the Bonds of a portion of the State ceiling of Volume Cap; and

WHEREAS, a Fiscal Impact Statement complying with the requirements of Section 15.2-4907 of the Virginia Code and Section 2 of Chapter 514 of the Acts of Assembly of 1983 of the General Assembly of Virginia, a record of the public hearing held by the Authority, and a copy of the Authority's resolution approving the issuance of the Bonds, subject to the terms to be agreed upon, have been filed with the Council; now, therefore,

BE IT RESOLVED by the City Council of the City of Harrisonburg, Virginia:

Section 1: That the recitals in the preambles hereto are found to be true and correct in all respects, and are adopted as findings of this Council as if fully rewritten herein.

Section 2: That the Project proposed to be financed by the issuance of the Bonds is deemed appropriate for such financing and, accordingly, the issuance of the Bonds is hereby approved.

Section 3: That the Council supports the Authority’s application to DHCD for an allocation for the Bonds of not to exceed \$6,000,000 of the State ceiling of Volume Cap.

Section 4: The approval of the issuance of the Bonds, as required by Section 147(f) of the Code and by the laws of the Commonwealth of Virginia, does not constitute an endorsement to a prospective purchaser of the Bonds of the proposed use of the proceeds of the Bonds or the creditworthiness of the Project or the Borrower. The Bonds shall provide that, as a limited obligation of the Authority payable solely from payments made by the Borrower and any realization on the collateral security for the Bonds provided by the Borrower, neither the Commonwealth of Virginia, the City of Harrisonburg nor the Town of Orange shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto and neither the faith or credit nor the taxing power of the Commonwealth of Virginia, the City of Harrisonburg or the Town of Orange, nor the faith or credit of the Authority, shall be pledged thereto.

Section 5: That this resolution shall be in effect from and after its adoption.


CERTIFICATE OF VOTES

Record of the roll call vote by the City Council of the City of Harrisonburg, Virginia, upon reading of a Resolution titled "**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HARRISONBURG, VIRGINIA,**" taken at a meeting of the City Council held on December 13, 2016, after proper public notice for such meeting:

	AYE	NAY	ABSTAIN	ABSENT
Christopher B. Jones, Mayor	✓			
Richard Baugh, Vice Mayor	✓			
Kai Degner	✓			
Abe Shearer	✓			
Ted Byrd	✓			

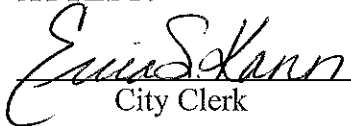
Dated: December 13, 2016

(SEAL)



Mayor or Vice Mayor,
City of Harrisonburg, Virginia

ATTEST:



City Clerk

The undersigned City Clerk of the City of Harrisonburg, Virginia hereby certifies that the foregoing is a true, correct, and complete copy of a Resolution adopted by a majority of the City Council of the City of Harrisonburg, Virginia present and voting at a meeting duly called and held on December 13, 2016, in accordance with law, and that such Resolution has not been repealed, revoked, rescinded, or amended, but is in full force and effect as of the date hereof.

WITNESS my hand and the seal of the City of Harrisonburg, Virginia, this 13 day of December, 2016.



City Clerk

APPROVED AS TO FORM:



City Attorney