

\$10,974,895.00

**UNITED STATES OF AMERICA**  
**COMMONWEALTH OF VIRGINIA**  
**INDUSTRIAL DEVELOPMENT AUTHORITY**  
**OF THE CITY OF HARRISONBURG, VIRGINIA**

**SHENANDOAH VALLEY CONFERENCE CENTER NOTE**

The Industrial Development Authority of the City of Harrisonburg, Virginia, a political subdivision of the Commonwealth of Virginia (the Authority), for value received, hereby promises to pay, solely from the source and as hereinafter provided, to James Madison University Foundation, Inc., a Virginia non-stock corporation (JMUF), at the principal office of JMUF in Harrisonburg, Virginia, or at such other place as the holder of this Note may in writing designate, in lawful money of the United States of America, the principal sum equal to the aggregate amount of principal advances made hereunder but not to exceed:

TEN MILLION NINE HUNDRED SEVENTY-FOUR THOUSAND EIGHT HUNDRED NINETY-FIVE DOLLARS (\$10,974,895.00)

And to pay solely from Project Tax Receipts appropriated by the City Council for the City of Harrisonburg, Virginia, as defined and set forth in a Support Agreement dated October 14, 2014 between the City Council of the City of Harrisonburg, Virginia, the Authority, JMUF and the Treasurer of the City of Harrisonburg, (the Support Agreement), on the unpaid balance hereon, from the date hereof, until payment of the entire principal sum. Interest shall only be payable in accordance with the Support Agreement.

This Note is authorized and issued pursuant to the Industrial Development and Revenue Bond Act (Chapter 40, Title 15.2 Code of Virginia, 1950 as amended) for the purpose of financing the construction of a conference center to be operated in conjunction with the Hotel Madison in the City of Harrisonburg, Virginia (the City).

Reference is hereby made to the Support Agreement and Resolutions adopted thereunder, the Restated and Second Amendment to Memorandum of Understanding between the City, the IDA, JMUF, James Madison University and dpM Partners, LLC dated May \_\_ 2016, the Development and Grant Agreement between IDA, and SVCC, LLC dated \_\_\_\_\_, and the Development and Grant Agreement between JMUF and IDA dated \_\_\_\_\_, with respect to the nature and extent of the rights, duties and obligations of the IDA, City of Harrisonburg and

JMUF, the terms upon which this Note is issued and the manner in which funds shall be advanced under this Note.

This Note and the interest hereon are limited obligations of the Authority payable solely from the Project Tax Receipts as defined above and pursuant to the Support Agreement referred to above. This Note and the interest hereon shall not be deemed to constitute debt or a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the City of Harrisonburg and the Authority. Neither the Commonwealth of Virginia, nor any political subdivision thereof, including the City and the Authority shall be obligated to pay the principal of, or interest on, this Note or other cost incident hereto except from the Project Tax Receipts as defined herein and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the City, is pledged to the payment of the principal or interest on this Note or other costs incident thereto. No covenant, conditions or agreement contained herein shall be deemed a covenant, agreement or obligation of any present or future director, officer, employee or agent of the Authority or the City, in his/her individual capacity, and neither the directors of the Authority nor any officer thereof executing this Note shall be liable personally on this Note or be subject any personal liability or accountability by reason of the issuance hereof.

All acts, conditions and things required to happen, exist or to be performed precedent to and in the issuance of this Note have happened, exist and have been performed.

IN WITNESS WHEREOF, the Industrial Development Authority of the City of Harrisonburg, Virginia has caused this Note to be signed by its Chairman, its seal to be affixed hereon and attest by its Secretary, and the Note to be dated \_\_\_\_\_, 2016.

INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE CITY OF HARRISONBURG, VIRGINIA

By: \_\_\_\_\_  
Chairman

Attest:

\_\_\_\_\_  
Secretary

(SEAL)