


OM16-362

RECEIPT OF BOND RESOLUTION

The undersigned Clerk of the Circuit Court of the County of Rockingham, Virginia acknowledges receipt, for filing pursuant to Section 15.2-2607 of the Code of Virginia of 1950, as amended, of a certified copy of a resolution entitled "RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2016 OF THE CITY OF HARRISONBURG, VIRGINIA, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF" adopted by the City Council of the City of Harrisonburg, Virginia on March 22, 2016.

March ~~21~~²⁴ 2016.



Deputy Clerk, Circuit Court of the
County of Rockingham, Virginia

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**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS,
SERIES 2016 OF THE CITY OF HARRISONBURG, VIRGINIA,
AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF**

The City of Harrisonburg, Virginia (the "City") wishes to finance all or a portion of the costs of (i) the design, construction and equipping of a new elementary school and related infrastructure including, without limitation, road improvements, (ii) the design, construction and equipping of a pre-kindergarten facility and related infrastructure including, without limitation, road improvements, (iii) the design and construction of bicycle and pedestrian trails including the possible acquisition of land for the same and (iv) HVAC replacement at Thomas Harrison Middle School (collectively, the "Projects"). The City desires to provide such funding through the issuance of the City's general obligation public improvement bonds, which bonds would also pay costs of issuance.

The City is a political subdivision of the Commonwealth of Virginia, and pursuant to the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), the City Council of the City of Harrisonburg, Virginia (the "Council") is authorized to contract debts on behalf of the City and to issue, as evidence thereof, bonds, notes or other obligations payable from pledges of the full faith and credit of the City.

The Council held a public hearing, duly noticed, on March 22, 2016 with respect to the issuance of the general obligation public improvement bonds to finance the Projects.

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

Section 1. Authorization, Issuance and Sale. The Council hereby determines that it is advisable to contract a debt and issue and sell its general obligation bonds for the purpose of (i) financing the Projects and (ii) financing the costs of issuing the bonds. There is hereby authorized to be issued and sold, pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Act, general obligation bonds of the City upon the terms set forth herein. The Council hereby elects to issue such bonds under the provisions of the Act without regard to the City Charter. Accordingly, the Council may adopt this Resolution at the meeting at which it is introduced.

Section 2. Bond Details. The bonds shall be designated as "General Obligation Public Improvement Bonds, Series 2016" (the "Bonds"). The proceeds of the Bonds will be used to finance the Projects and pay costs of issuance relating to the Bonds. The Bonds shall be dated the date of their execution and delivery, shall be in registered form and shall be in denominations of \$5,000 and multiples thereof. The Bonds shall be numbered consecutively commencing with R-1. Subject to Section 4 and Section 9, the Bonds shall mature in installments, or have mandatory sinking fund installments, on each July 15 beginning no earlier than the year 2016 and ending no later than the year 2042. Subject to Section 9, interest on the Bonds shall be payable on July 15, 2016, and semiannually thereafter on each January 15 and

July 15 and at maturity. The Council authorizes the issuance and sale of the Bonds on terms as shall be satisfactory to the City Manager; *provided*, that the Bonds (a) shall have a true or “Canadian” interest cost not to exceed five percent (5.00%) per year, taking into account any original issue discount or premium; (b) shall be sold at a price not less than 97% nor more than 115% of the original aggregate principal amount thereof; (c) shall have a weighted average maturity of no more than twenty-five (25) years; (d) shall be issued in an aggregate amount not to exceed \$50,000,000; (e) shall be subject to optional redemption, so long as the period during which the Bonds may not be optionally redeemed shall not extend beyond July 15, 2026, with a redemption premium no greater than two percent (2.00%) of the principal amount of the Bonds to be optionally redeemed; and (f) shall be issued with such designations, including series designations, as desired for the marketing and sale thereof. The Bonds may be issued with bond insurance as security for the principal and interest payments thereon. The Bonds may be issued in series from time-to-time and with different terms as long as such terms are within the parameters noted above.

Principal and premium, if any, shall be payable to the registered owners upon surrender of the Bonds as they become due at the designated corporate trust office of the Registrar, as defined below. Interest shall be payable by check or by wire to the registered owners at their addresses as they appear on the registration books kept by the Registrar as of the close of business on the first day of the month during which each interest payment date occurs. In case the date of maturity or redemption of the principal of any Bond or an interest payment date shall be a date on which banking institutions are authorized or obligated by law to close at the place where the designated corporate trust office of the Registrar is located, then payment of principal and interest need not be made on such date, but may be made on the next succeeding date which is not such a date at the place where the designated corporate trust office of the Registrar is located, and if made on such next succeeding date no additional interest shall accrue for the period after such date of maturity or redemption or interest payment date. Principal, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America.

Interest on the Bonds shall be calculated on the basis of a 360-day year with twelve 30-day months. Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless such Bond is (a) authenticated before July 15, 2016, in which case it will bear interest from its dated date, or (b) authenticated upon an interest payment date or after the record date with respect thereto, in which case it will bear interest from such interest payment date (unless payment of interest thereon is in default, in which case interest on such Bond shall be payable from the date to which interest has been paid).

Section 3. Book-Entry System. Initially, one Bond certificate for each maturity of the Bonds shall be issued to and registered in the name of The Depository Trust Company, New York, New York (“DTC”), or its nominee. The City has entered into a Blanket Issuer Letter of Representations (the “Letter of Representations”) relating to a book-entry system to be maintained by DTC with respect to certain securities issued by the City, including the Bonds. As used herein, the term “Securities Depository” shall mean DTC or any other securities depository for the Bonds appointed pursuant to this Section 3.

In the event that (a) the Securities Depository determines not to continue to act as the securities depository for the Bonds by giving notice to the Registrar and the City, or (b) the City in its sole discretion determines (i) to select a new Securities Depository or (ii) that beneficial owners of Bonds shall be able to obtain certificated Bonds, then the City Manager shall, at the direction of the City, attempt to locate another qualified securities depository to serve as Securities Depository or arrange for the authentication and delivery of certificated Bonds to the beneficial owners or to the Securities Depository's participants on behalf of beneficial owners, substantially in the form provided for in Exhibit A. In delivering certificated Bonds, the City Manager shall be entitled to rely on the records of the Securities Depository as to the beneficial owners or the records of the Securities Depository's participants acting on behalf of beneficial owners. Such certificated Bonds will then be registrable, transferable and exchangeable as set forth in Section 8.

So long as there is a Securities Depository for the Bonds (1) it or its nominee shall be the registered owner of the Bonds, (2) notwithstanding anything to the contrary in this Resolution, determinations of persons entitled to payment of principal, premium, if any, and interest, transfers of ownership and exchanges, and receipt of notices shall be the responsibility of the Securities Depository and shall be effected pursuant to rules and procedures established by such Securities Depository, (3) the Registrar and the City shall not be responsible or liable for maintaining, supervising, or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants, (4) references in this Resolution to registered owners of the Bonds shall mean such Securities Depository or its nominee and shall not mean the beneficial owners of the Bonds, and (5) in the event of any inconsistency between the provisions of this Resolution and the provisions of the Letter of Representations, such provisions of the Letter of Representations, except to the extent set forth in this paragraph and the next preceding paragraph, shall control.

Section 4. Redemption Provisions.

(a) Optional Redemption. Subject to the provisions of Section 2 and 9, the Bonds may be subject to optional redemption prior to their respective stated dates of maturity as determined by the City Manager.

(b) Mandatory Sinking Fund Redemption. Subject to the provisions of Section 2, any term bonds may be subject to mandatory sinking fund redemption as determined by the City Manager. If there are any term bonds, on or before the 70th day next preceding any mandatory sinking fund redemption date, the City may apply as a credit against the City's mandatory sinking fund redemption obligation for any Bonds (of the same series, if more than one) maturing on such date, Bonds that previously have been optionally redeemed or purchased and canceled or surrendered for cancellation by the City and not previously applied as a credit against any mandatory sinking fund redemption obligation for such Bonds. Each such Bond so purchased, delivered or previously redeemed shall be credited at 100% of the principal amount thereof against the principal amount of the Bonds (of the same series, if more than one) required to be redeemed on such mandatory sinking fund redemption date. Any principal amount of Bonds so purchased, delivered or previously redeemed in excess of the principal amount required to be redeemed on such mandatory sinking fund redemption date shall similarly reduce the

principal amount of the Bonds (of the same series, if more than one) to be redeemed on future mandatory sinking fund redemption dates, as selected by the City Manager.

(c) Bonds Selected for Redemption. If less than all of the Bonds are called for optional redemption, the maturities (and series, if more than one) of the Bonds to be redeemed shall be selected by the City Manager in such manner as he may determine to be in the best interest of the City. If less than all the Bonds of any maturity (or series, if more than one) are called for redemption, the Bonds to be redeemed shall be selected by DTC or any successor Securities Depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Registrar by lot in such manner as the Registrar in its discretion may determine. In either case, (a) the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some integral multiple thereof and (b) in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000. If a portion of a Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof.

(d) Notice of Redemption. The City shall cause notice of the call for redemption identifying the Bonds or portions thereof to be redeemed to be sent by electronic or facsimile transmission, registered or certified mail, or overnight express delivery, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, to DTC or its nominee as the registered owner of the Bonds or, if the book-entry system is discontinued, by registered or certified mail to the registered owners of the Bonds to be redeemed.

Section 5. Execution and Authentication. The Bonds shall be signed by the manual or facsimile signature of the Mayor or Vice Mayor of the City and the City's seal shall be affixed thereto or a facsimile thereof printed thereon and attested to by the manual or facsimile signature of the Clerk or Deputy Clerk of the City; *provided*, that no Bond shall be valid until it has been authenticated by the manual signature of an authorized representative of the Registrar and the date of authentication noted thereon. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of a Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery. Any Bond may bear the facsimile signature of or may be signed by such persons as at the actual time of the execution thereof shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

Section 6. Bond Form. The Bonds shall be in substantially the form set forth in Exhibit A attached hereto with appropriate variations for separate series or series designations desired and authorized by Section 2 hereof.

Section 7. Pledge of Full Faith and Credit. The full faith and credit of the City are irrevocably pledged for the payment of principal of, premium, if any, and interest on the Bonds. Unless other funds are lawfully available and appropriated for timely payment of the Bonds, the City shall levy and collect an annual *ad valorem* tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all locally taxable property in the City sufficient to pay the principal of, premium, if any, and interest on the Bonds, as the same become due.

Section 8. Registration, Transfer and Owners of Bonds. The Council hereby selects U.S. Bank National Association as the paying agent and registrar for the Bonds (the "Registrar"). The Registrar shall maintain registration books for the registration of the Bonds. Upon surrender of any Bonds at the designated corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the City shall execute, and the Registrar shall authenticate and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form, series (if more than one) and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner or his duly authorized attorney or legal representative. Any such exchange shall be at the expense of the City, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto. New Bonds delivered upon any transfer or exchange shall be valid obligations of the City, evidencing the same debt as the Bonds surrendered, shall be secured by this Resolution and entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The Registrar shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as owner on the registration books on the first day of the month during which each interest payment date occurs.

Section 9. Sale of Bonds. The Council approves the following terms of the sale of the Bonds. The Bonds will be sold by competitive bid. The City Manager, in collaboration with Davenport & Company, LLC, the City's financial advisor (the "Financial Advisor"), shall receive bids for the Bonds and award the Bonds to the bidder providing the lowest true or "Canadian" interest cost, all subject to the limitations set forth in Section 2. The Council further authorizes the City Manager, in collaboration with the Financial Advisor, to (a) determine the principal amount of the Bonds, subject to the limitations set forth in Section 2, (b) determine the maturity schedule of the Bonds, subject to the weighted average maturity limitations set forth in Section 2, and (c) establish the redemption provisions for the Bonds, subject to the limitations set forth in Section 2. Prior to the sale of the Bonds, the City Manager, in collaboration with the Financial Advisor, may change the dated date of the Bonds and the payment dates provided therein (so long as the interest payment dates for any series are semi-annual) to facilitate the sale and delivery of the Bonds. The City Manager shall determine the amount and form of any good faith deposit and the other terms upon which bids must be made. The actions of the City Manager in selling the Bonds shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Council.

Section 10. Sale Documents. The use and distribution of the Notice of Bond Sale pursuant to which the Bonds will be offered for sale are hereby authorized and approved.

Section 11. Official Statement. The form of the Preliminary Official Statement of the City, to be dated the date of its mailing (the "Preliminary Official Statement"), has been made available to the Council prior to the adoption of this Resolution. The use and distribution of the Preliminary Official Statement, in substantially the form made available to the Council, are hereby authorized and approved. The Preliminary Official Statement, may be completed and "deemed final" by the City Manager as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), except for the omission from the Preliminary Official Statement of such pricing and other information permitted to be omitted pursuant to the Rule. The delivery of the Preliminary Official Statement to the Financial Advisor shall be conclusive evidence that it has been deemed final as of its date by the City Manager, except for the omission of such pricing and other information.

The City Manager shall make such compilations, omissions, insertions, and changes in the Preliminary Official Statement not inconsistent with this Resolution as are necessary or desirable to complete it as a final Official Statement (the "Official Statement"). The City Manager shall arrange for the delivery to the successful bidder of a reasonable number of copies of the Official Statement, within seven (7) business days after the Bonds have been sold, for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom the successful bidder initially sells Bonds.

The Mayor, the Vice Mayor and the City Manager, any of whom may act, are each hereby authorized, on behalf of the City, to deem the Official Statement to be final as of its date within the meaning of the Rule. The Mayor, the Vice Mayor and the City Manager, any of whom may act, are each hereby authorized and directed to execute the Official Statement, which execution shall be conclusive evidence that the Official Statement has been deemed final as of its date.

Section 12. Continuing Disclosure. A substantially final form of the Continuing Disclosure Certificate to be provided by the City (the "Continuing Disclosure Certificate"), evidencing conformity with certain provisions of the Rule, has been made available to the Council prior to the adoption of this Resolution. The execution, delivery, use, and distribution of the Continuing Disclosure Certificate, in substantially the form made available to the Council, are hereby authorized and approved. The Mayor, the Vice Mayor and the City Manager, any of whom may act, are each hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate.

The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered a default under this Resolution or the Bonds; *provided*, that any Holder of the Bonds (as defined in the Continuing Disclosure Certificate, including owners of beneficial interests in the Bonds) may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Section 12 and the Continuing Disclosure Certificate.

Section 13. Preparation and Delivery of Bonds. After the Bonds have been awarded, the Mayor or Vice Mayor and the Clerk or Deputy Clerk of the City are authorized and directed to take all proper steps to have the Bonds prepared, executed and authenticated in accordance with their terms and to deliver the Bonds to the successful bidder thereof upon payment for the Bonds.

Section 14. Selection of Bond Counsel. The Council hereby consents to Troutman Sanders LLP serving as Bond Counsel to the City in connection with the issuance of the Bonds.

Section 15. Arbitrage Covenants.

(a) No Composite Issue. The City represents that there have not been issued, and covenants that there will not be issued, any obligations that will be treated as part of the same issue of obligations as the Bonds within the meaning of the Internal Revenue Code of 1986, as amended, including regulations issued pursuant thereto (the "Code").

(b) No Arbitrage Bonds. The City covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, or otherwise cause interest on the Bonds to be includable in the gross income for federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the City shall comply with any provision of law which may require the City at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Bonds, unless the City receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law. The City shall pay any such required rebate from its legally available funds.

Section 16. Non-Arbitrage Certificate and Elections. Such officers of the City as may be requested are authorized and directed to execute an appropriate certificate setting forth the expected use and investment of the proceeds of the Bonds in order to show that such expected use and investment will not violate the provisions of Section 148 of the Code, and any elections such officers deem desirable regarding rebate of earnings to the United States, for purposes of complying with Section 148 of the Code. Such certificate and elections shall be in such form as may be requested by bond counsel for the City. The City shall comply with any covenants set forth in such certificate regarding the use and investment of the proceeds of the Bonds.

Section 17. SNAP Investment Authorization. The Council hereby authorizes the City Treasurer and the City Finance Director to have the option to utilize the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") in connection with the investment of the proceeds of the Bonds. The proceeds may be invested pursuant to other investment agreements so long as the same are permissible for the investment of bond proceeds under Virginia law.

Section 18. Limitation on Private Use; No Federal Guaranty. The City covenants that it shall not permit the proceeds of the Bonds to be used in any manner that would result in (a) ten percent (10%) or more of such proceeds being used in a trade or business carried on by any person other than a state or local governmental unit, as provided in Section 141(b) of the Code, (b) five percent (5%) or more of such proceeds being used with respect to any output facility (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) five percent (5%) or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a state or local governmental unit, as provided in Section 141(c) of the Code; *provided*, that if the City receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on the Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the City need not comply with such covenants.

The City represents and agrees that the Bonds are not and will not be “federally guaranteed,” as such term is used in Section 149(b) of the Code. No portion of the payment of principal of or interest on the Bonds is or will be guaranteed, directly or indirectly, in whole or in part by the United States or an agency or instrumentality thereof.

Section 19. Discharge upon Payment of Bonds. The Bonds may be defeased, as permitted by the Act. Any defeasance of the Bonds, as permitted by the Act, shall not release the City or the Registrar from its obligations hereunder to register and transfer Bonds or release the Registrar from its obligations to pay the principal of and interest on the Bonds as contemplated herein until the date all of the Bonds are paid. In addition, such defeasance shall not terminate the obligations of the City under Sections 15 and 18 until the date all of the Bonds are paid.

Section 20. Other Actions. All other actions of the Council members, officers, staff, and agents of the City in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds are approved and confirmed. The Mayor, Vice Mayor, City Manager and other officers and staff of the City, any of whom may act, are each authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the issuance, sale and delivery of the Bonds.

Section 21. Limitation of Liability of Officials of the City. No covenant, condition, agreement or obligation contained herein shall be deemed to be a covenant, condition, agreement or obligation of a Council member, officer, employee or agent of the City in his or her individual capacity, and no officer of the City executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No Council member, officer, employee, or agent of the City shall incur any personal liability with respect to any other action taken by him or her pursuant to this Resolution, provided he or she acts in good faith.

Section 22. Contract with Bondholders. The provisions of this Resolution shall constitute a contract between the City and the Bondholders for so long as any of the Bonds

are outstanding. Notwithstanding the foregoing, this Resolution may be amended by the City in any manner that does not, in the opinion of the City and the Registrar, materially adversely affect the Bondholders or the Registrar.

Section 23. Repeal of Conflicting Resolutions. All resolutions or parts of resolutions in conflict herewith are repealed.

Section 24. Effective Date. This Resolution shall take effect immediately upon its adoption. The Clerk and any Deputy Clerk of the City are hereby authorized and directed to see to the immediate filing of a certified copy of this Resolution with the Circuit Court of the County of Rockingham, Virginia.

EXHIBIT A

REGISTERED
No. R- _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
CITY OF HARRISONBURG

General Obligation Public Improvement Bond, Series 2016

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
_____ %	July 15, ____	April __, 2016	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Harrisonburg, Virginia (the "City"), for value received, promises to pay, upon surrender hereof, to the Registered Owner stated above, or registered assigns or legal representative, the Principal Amount stated above on the Maturity Date stated above, subject to prior redemption as hereinafter provided, and to pay interest hereon at the Interest Rate per year stated above from the Dated Date stated above on July 15, 2016, and semiannually thereafter on each January 15 and July 15. Principal, premium, if any, and interest are payable in lawful money of the United States of America through U.S. Bank National Association, Richmond, Virginia, as registrar and paying agent (the "Registrar").

Interest shall be payable by check or by wire to the Registered Owner, determined as of the close of business on the first day of the month during which each interest payment date occurs, at its address as it appears on the registration books kept for that purpose at the designated corporate trust office of the Registrar. Principal shall be payable upon presentation and surrender of this bond to the Registrar. If this bond is held by or for The Depository Trust Company or other entity acting as a securities depository (the "Securities Depository"), all payments of principal, redemption premium, if any, and interest shall be paid by wire transfer pursuant to the most recent wire instructions received by the Registrar from such Securities Depository and all redemptions or prepayments of principal may be made without presentation of this bond to the Registrar if such Securities Depository makes a notation on the schedule attached hereto.

This bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless this bond is (a) authenticated before July 15, 2016, in

which case it shall bear interest from the Dated Date stated above or (b) authenticated upon an interest payment date or after the record date with respect thereto, in which case it shall bear interest from such interest payment date; *provided*, that if at the time of authentication of this bond interest is in default, this bond shall bear interest from the date to which interest has been paid. Interest shall be calculated on the basis of a 360-day year with twelve 30-day months.

In case the date of maturity or redemption of the principal of this bond or an interest payment date shall be a date on which banking institutions are authorized or obligated by law to close at the place where the designated corporate trust office of the Registrar is located, then payment of principal and interest need not be made on such date, but may be made on the next succeeding date which is not such a date at the place where the designated corporate trust office of the Registrar is located, and if made on such next succeeding date no additional interest shall accrue for the period after such date of maturity or redemption or interest payment date.

This bond is one of an issue of \$_____ General Obligation Public Improvement Bonds, Series 2016 (the "Bonds"), of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption, and maturity, and is issued pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, as amended. The Bonds were authorized by a resolution adopted by the City Council of the City on March 22, 2016 (the "Resolution"). The proceeds of the Bonds will be used finance all or a portion of the costs of (i) the design, construction and equipping of a new elementary school and related infrastructure including, without limitation, road improvements, (ii) the design, construction and equipping of a pre-kindergarten facility and related infrastructure including, without limitation, road improvements, (iii) the design and construction of bicycle and pedestrian trails including the possible acquisition of land for the same and (iv) HVAC replacement at Thomas Harrison Middle School, as well to pay the costs of issuance of the Bonds.

Bonds maturing on or before July 15, ____, are not subject to optional redemption prior to maturity. Bonds maturing on or after July 15, ____, are subject to redemption prior to maturity at the option of the City on or after July 15, ____, in whole or in part (in integral multiples of \$5,000) at any time upon payment of 100% of the principal amount of the Bonds to be redeemed plus interest accrued and unpaid to the redemption date.

[The Bonds maturing on July 15, 20__ are subject to mandatory sinking fund redemption by the City, upon payment of a redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date, on July 15 in the years and amounts set forth below:

<u>Year</u>	<u>Amount</u>
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-- final maturity

The Resolution provides for a credit against the mandatory sinking fund redemption of such Bonds in the amount of Bonds of the same maturity that have been previously redeemed or purchased and canceled or surrendered for cancellation and have not been applied previously as such a credit.]

If less than all of the Bonds are called for optional redemption, the maturities of the Bonds to be redeemed shall be selected by the City Manager of the City in such manner as he may determine to be in the best interest of the City. If less than all the Bonds of a particular maturity are called for redemption, the Bonds to be redeemed shall be selected by the Securities Depository pursuant to its rules and procedures or, if the book entry system is discontinued, shall be selected by the Registrar by lot in such manner as the Registrar in its discretion may determine. In either case, (a) the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some integral multiple thereof and (b) in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000. The City shall cause notice of the call for redemption identifying the Bonds or portions thereof to be redeemed to be sent by electronic or facsimile transmission, registered or certified mail, or overnight express delivery, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, to the Securities Depository or its nominee as the Registered Owner of the Bonds or, if the book-entry system is discontinued, by registered or certified mail to the Registered Owners of the Bonds to be redeemed.

The full faith and credit of the City are irrevocably pledged for the payment of principal of, premium, if any, and interest on this bond.

All acts, conditions, and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist, or be performed precedent to and in the issuance of this bond have happened, exist, and have been performed, and the issue of Bonds of which this bond is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

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IN WITNESS WHEREOF, the City Council of the City of Harrisonburg, Virginia, has caused this bond to be issued in the name of the City of Harrisonburg, Virginia, to be signed by its Mayor or Vice Mayor, its seal to be affixed hereto and attested by the signature of its Clerk or Deputy Clerk and this bond to be dated April __, 2016.

(SEAL)

ATTEST:

Clerk,
City of Harrisonburg, Virginia

Mayor,
City of Harrisonburg, Virginia

AUTHENTICATION DATE: _____

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the within mentioned Resolution.

**U.S. BANK NATIONAL ASSOCIATION, as
Registrar**

By _____
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sell(s), assign(s), and transfer(s) unto

(Please print or type name and address, including postal zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE:

the within bond and all rights thereunder, hereby irrevocably constituting and appointing _____ Attorney, to transfer said bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent's Medallion Program ("STAMP") or similar program.

(Signature of Registered Owner)

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this bond in every particular, without alteration or enlargement or any change whatsoever.

**CERTIFICATE OF THE CLERK OF THE
CITY OF HARRISONBURG, VIRGINIA**

The undersigned Clerk of the City of Harrisonburg, Virginia, certifies that:

1. A regular meeting of the City Council of the City of Harrisonburg, Virginia, was held on March 22, 2016, at the time and place established by the City Council for such meetings, at which the following members were present and absent:

PRESENT/ABSENT:


Christopher Jones	Present
Richard Baugh	Present
Ted Byrd	Present
Kai Degner	Present
Abe Shearer	Present

2. A resolution entitled "Resolution Authorizing the Issuance and Sale of General Obligation Public Improvement Bonds, Series 2016 of the City of Harrisonburg, Virginia, and Providing for the Form, Details and Payment Thereof" was adopted by a majority of all members of the City Council present by a roll call vote, the ayes and nays being recorded in the minutes of the meeting as shown below:

<u>MEMBER</u>	<u>VOTE</u>
Christopher Jones	Yes
Richard Baugh	Yes
Ted Byrd	No
Kai Degner	Yes
Abe Shearer	No

3. Attached hereto is a true and correct copy of the foregoing resolution as adopted on March 22, 2016. This resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my signature and the seal of the City Council of the City of Harrisonburg, Virginia, this 22 day of March, 2016.



Clerk,
City of Harrisonburg, Virginia

(SEAL)