

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF ALEXANDRIA, VIRGINIA
AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION
REFUNDING BONDS**

WHEREAS, the City Council of the City of Alexandria, Virginia ("City") has determined that is advisable to authorize the issuance and sale of general obligation refunding bonds of the City to refund in advance of their maturities certain bonds previously issued by the City in order to achieve debt service savings.

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

1. Authorization of Bonds; Refunding of Prior Bonds. The City Council hereby determines that it is advisable to contract a debt and to issue and sell general obligation refunding bonds (the "Bonds") on the terms determined in the manner set forth in this Resolution. The issuance and sale of the Bonds are hereby authorized. The proceeds from the issuance and sale of the Bonds shall be used to refund, redeem, and/or defease certain outstanding bonds issued by the City (the "Refunded Bonds"). The specific bonds to be refunded shall be determined by the City Manager and the Finance Director/Chief Financial Officer, or either one of them ("the Authorized Officer") pursuant to the criteria set forth in this paragraph. The Authorized Officer is authorized to determine the series, maturities and amounts of the Refunded Bonds as such officer determines to be in the best interest of the City as long as the minimum savings achieved by the issuance of the Bonds is not less than 3% savings on a present value basis compared to the existing debt service on the Refunded Bonds. The Authorized Officer is authorized to enter into an escrow agreement providing for the deposit of proceeds of the Bonds and the refunding and redemption of the Refunded Bonds with such escrow agent as the City Manager may select.

2. Pledge of Full Faith and Credit. The full faith and credit of the City are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable. The City Council shall levy an annual ad valorem tax upon all property in the City, subject to local taxation, sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same shall become due for payment unless other funds are lawfully available and appropriated for the timely payment thereof.

3. Details and Sale of Bonds. The Bonds shall be issued upon the terms established pursuant to this Resolution and upon such other terms as may be determined in the manner set forth in this Resolution. The Bonds shall be issued in one or more series, in fully registered form and shall be dated such date or dates as the Authorized Officer may approve. The Bonds shall mature on such dates and in such amounts and shall be issued in such principal amount as the City Manager may approve, provided that the final maturity of the Bonds is not later than one year after the final maturity of the Refunded Bonds and the aggregate principal amount of the Bonds is not more than the amount needed to pay principal of and premium, if any, and interest on the Refunded Bonds to the redemption date and to pay the cost of issuing the Bonds. The Bonds may be sold pursuant to a public or private placement and may be sold on a negotiated or

competitive bid basis all as may be determined by the Authorized Officer. The Authorized Officer is authorized and directed to accept a bid or bids or a proposal for the purchase of the Bonds which such officer determines to be in the best interest of the City, subject to debt service savings criteria set forth in paragraph 1 above. The Authorized Officer is authorized to enter into a bond purchase agreement with the purchaser of the Bonds if required in connection with the sale of the Bonds. The Authorized Officer is authorized and directed to approve such optional redemption provisions for the Bonds as such officer or officers determine to be in the best interest of the City.

4. Form of Bonds. The Bonds shall be in substantially the form attached to this Resolution as Exhibit A, with such appropriate variations, omissions, and insertions as are permitted or required by this Resolution. There may be endorsed on the Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

5. Book-Entry-Only Form. If the Bonds are sold publicly, the Bonds shall be issued in book-entry-only form as set forth in this paragraph. The Bonds shall be issued in fully-registered form and registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York (“DTC”) as registered owner of the Bonds, and immobilized in the custody of DTC. One fully-registered Bond in typewritten or printed form for the principal amount of each maturity of the Bonds shall be registered to Cede & Co. Beneficial owners of the Bonds shall not receive physical delivery of the Bonds. Principal, premium, if any, and interest payments on the Bonds shall be made to DTC or its nominee as registered owner of the Bonds on the applicable payment date.

Transfer of ownership interest in the Bonds shall be made by DTC and its participants (the “Participants”), acting as nominees of the beneficial owners of the Bonds in accordance with rules specified by DTC and its Participants. The City shall notify DTC of any notice required to be given pursuant to this Resolution or the Bonds not less than fifteen (15) calendar days prior to the date upon which such notice is required to be given. The City shall also comply with the agreements set forth in the City’s Letter of Representations to DTC.

Replacement Bonds (the “Replacement Bonds”) may be issued directly to beneficial owners of the Bonds rather than to DTC or its nominee but only in the event that:

- (i) DTC determines not to continue to act as securities depository for the Bonds; or
- (ii) The City has advised DTC of its determination not to use DTC as a securities depository; or
- (iii) The City has determined that it is in the best interest of the beneficial owners of the Bonds or the City not to continue the book-entry system of transfer.

Upon occurrence of the event described in (i) or (ii) above, the City shall attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City Council shall execute and deliver Replacement

Bonds substantially in the form set forth in Exhibit A to this Resolution to the Participants. In the event the City Council, in its discretion, makes the determination noted in (iii) above and has made provisions to notify the beneficial owners of the Bonds by mailing an appropriate notice to DTC, the appropriate officers and agents of the City shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit A to this Resolution to any Participants requesting such Replacement Bonds. Principal of and interest on the Replacement Bonds shall be payable as provided in this Resolution and in the Bonds and Replacement Bonds will be transferable in accordance with the provisions of paragraphs 9 and 10 of this Resolution and the Bonds.

6. Appointment of Bond Registrar and Paying Agent. The City Manager is authorized and directed to appoint a Bond Registrar and Paying Agent for the Bonds and as long as the Bonds are in book-entry form, either the City Manager or the Chief Financial Officer/Director of Finance may serve as Paying Agent.

The City Manager may appoint a subsequent registrar and/or one or more paying agents for the Bonds upon given written notice to the owners of the Bonds specifying the name and location of the principal office of such registrar or paying agent.

7. Execution of Bonds. The Mayor and the Clerk of the City are authorized and directed to execute appropriate negotiable Bonds and to affix the seal of the City thereto and to deliver the Bonds to the purchaser thereof upon payment of the purchase price. The manner of execution and affixation of the seal may be by facsimile, provided, however, that if the signatures of the Mayor and the Clerk are both by facsimile, the Bonds shall not be valid until signed at the foot thereof by the manual signature of the Bond Registrar.

8. CUSIP Numbers. If the Bonds are sold publicly, the Bonds shall have CUSIP identification numbers printed thereon. No such number shall constitute a part of the contract evidenced by the Bond on which it is imprinted and no liability shall attach to the City, or any of its officers or agents by reason of such numbers or any use made of such numbers, including any use by the City and any officer or agent of the City, by reason of any inaccuracy, error or omission with respect to such numbers.

9. Registration, Transfer and Exchange. Upon surrender for transfer or exchange of any Bond at the principal office of the Bond Registrar, the City shall execute and deliver and the Bond Registrar shall authenticate in the name of the transferee or transferees a new Bond or Bonds of any authorized denominations in an aggregate principal amount equal to the Bond surrendered and of the same form and maturity and bearing interest at the same rate as the Bond surrendered, subject in each case to such reasonable regulations as the City and the Bond Registrar may prescribe. All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the City and the Bond Registrar, duly executed by the registered owner or by his or her duly authorized attorney-in-fact or legal representative. No Bond may be registered to bearer.

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.

10. Charges for Exchange or Transfer. No charge shall be made for any exchange or transfer of Bonds, but the City may require payment by the registered owner of any Bond of a sum sufficient to cover any tax or other governmental charge which may be imposed with respect to the transfer or exchange of such Bond.

11. Non-Arbitrage Certificate and Tax Covenants. The Authorized Officer and such officers and agents of the City as the Authorized Officer may designate are authorized and directed to execute a Non-Arbitrage Certificate and Tax Covenants setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to comply with the provisions of the Internal Revenue Code of 1986, as amended (“Code”), including the provisions of Section 148 of the Code and applicable regulations relating to “arbitrage bonds.” The City Council covenants on behalf of the City that the proceeds from the issuance and sale of the Bonds will be invested and expended as set forth in the City’s Non-Arbitrage Certificate and Tax Covenants, to be delivered simultaneously with the issuance and delivery of the Bonds and that the City shall comply with the other covenants and representations contained therein.

12. Disclosure Documents. The Authorized Officer and such officers and agents of the City as either of them may designate are hereby authorized and directed, if required, to prepare, execute, and deliver an appropriate notice of sale, preliminary official statement, official statement, continuing disclosure agreement or such other offering or disclosure documents as may be necessary to expedite the sale of the Bonds. The notice of sale, preliminary official statement, official statement, continuing disclosure agreement or other documents, if required, shall be published in such publications and distributed in such manner, including electronically, and at such times as the Director of Finance shall determine. The Director of Finance is authorized and directed to deem the preliminary official statement “final” for purposes of Securities and Exchange Commission Rule 15c2-12.

13. Defeasance. Bonds may be defeased pursuant to Section 15.2-2623 of the Code of Virginia of 1950, as amended, or any successor statute and shall be deemed no longer outstanding upon the establishment of an escrow or sinking fund for such Bonds meeting the requirements of, and the satisfaction of other conditions, if any, to defeasance, set forth in such Section 15.2-2623 or successor statute.

14. Further Actions. The Authorized Officer and such officers and agents of the City as either of them may designate are authorized and directed to take such further action as they deem necessary regarding the issuance and sale of the Bonds and all actions taken by such officers and agents in connection with the issuance and sale of the Bonds are ratified and confirmed.

15. Effective Date; Applicable Law. In accordance with Section 15.2-2601 of the Code of Virginia of 1950, as amended, the City Council elects to issue the Bonds pursuant to the

provisions of the Public Finance Act of 1991. This Resolution shall take effect at the time of its enactment.

WILLIAM D. EUILLE
Mayor, City of Alexandria, Virginia