

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF ALEXANDRIA APPROVING THE ISSUANCE OF UP TO \$16,000,000 EDUCATIONAL FACILITIES REVENUE REFUNDING BONDS (EPISCOPAL HIGH SCHOOL) SERIES 2016 AND AUTHORIZING THE EXECUTION AND DELIVERY OF BOND DOCUMENTS SUBJECT TO CERTAIN BOND TERMS FOR THE BENEFIT OF THE PROTESTANT EPISCOPAL HIGH SCHOOL IN VIRGINIA**

**RECITALS**

A. The Industrial Development Authority of the City of Alexandria, a political subdivision of the Commonwealth of Virginia (the "Authority"), is empowered by the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act").

B. The Authority has received a request from The Protestant Episcopal High School in Virginia (the "Borrower") a not-for-profit 501(c)(3) nonstock corporation, organized and existing under the laws of the Commonwealth, requesting the Authority to issue and sell its revenue refunding bonds (the "Bonds"), in one or more series at one time or from time to time, to assist the Borrower in:

(1) refunding all or a portion of the outstanding principal amount of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 2010A (the "2010A Bonds"), issued to assist the Borrower in the acquisition, construction, equipping, expansion, renovation and enlargement of the Borrower's gymnasium, located at the Borrower's campus, which consists of approximately 135 acres at 1200 North Quaker Lane in the City of Alexandria, Virginia (the "Campus");

(2) financing the construction, equipping and renovation of Liggett Hall, located on the Campus;

(3) financing the construction, equipping, expansion and enlargement of faculty residences, which will all be located on the Campus;

(4) financing other capital improvements at the Campus; and

(5) financing, if and as needed, capitalized interest on the Bonds, a debt service reserve fund for the Bonds and costs of issuance related to the issuance of the Bonds.

C. The Bonds will be issued on behalf of the Borrower in one or more series at one time or from time to time.

D. The Bonds are expected to be sold by the Authority to Raymond James & Associates, Inc. (the "Underwriter"), pursuant to the terms of a Bond Purchase Agreement, to be dated the date of its execution and delivery (the "Bond Purchase Agreement"), among the Authority, the Underwriter, and the Borrower.

E. The Bonds are to be offered for sale by the Underwriter pursuant to an Official Statement in preliminary form, to be dated the date of its delivery, and in final form, to be dated

the date of the sale of the Bonds, prepared in connection with the offering and sale of the Bonds (the "Official Statement").

F. The foregoing arrangements will be reflected in the following documents, preliminary forms of which have been presented to the Authority and filed with the records of the Authority, and which are necessary to carry out the transaction described above:

(i) the Indenture of Trust dated as of December 1, 2016 (the "Indenture of Trust"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee");

(ii) the Financing Agreement dated as of December 1, 2016, between the Authority and the Borrower;

(iii) the form of the Bonds, to be dated the date of their delivery, bearing interest and payable as provided therein and in the Indenture of Trust and incorporated into the Indenture of Trust;

(iv) the Bond Purchase Agreement; and

(v) the Official Statement in preliminary form.

All of the documents listed above, except the Bonds, are referred to in this Resolution as the "Bond Documents."

G. The Bond Documents shall reflect the following terms for the Bonds (the "Bond Terms"): (1) the aggregate principal amount of the Bonds shall not exceed \$16,000,000, (2) the final maturity date shall not be later than January 1, 2047, (3) the true interest cost of the Bonds issued to finance items (2) – (4) in the Plan of Finance shall not exceed 4.0% per annum, and (4) the refunding of the 2010A Bonds shall result in net present value savings of at least 5.0%..

H. (1) No Director of the Authority is an officer or employee of the Borrower or the City, (2) each member has, before entering upon his duties during his or her present term of office, taken and subscribed to the oath prescribed by Section 49-1 of the Code of Virginia of 1950, as amended and (3) at the time of their appointments and at all times thereafter, including the date hereof, all of the members of the Council have satisfied the residency requirements of the Act.

I. No Director of the Authority has any personal interest or business interest in the Borrower, the Bonds, or any of the transactions contemplated therein or has otherwise engaged in conduct prohibited under the Conflict of Interests Act, Chapter 31, Title 2.2 of the Code of Virginia of 1950, as amended in connection with this resolution or any other official action of the Authority in connection therewith.

**NOW, THEREFORE, IT IS RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF ALEXANDRIA:**

1. The issuance of the Bonds, to be styled the "Industrial Development Authority of the City of Alexandria Educational Facilities Revenue and Refunding Bonds (Episcopal High School), Series 2016," with principal amounts, maturities, and interest rates consistent with the Bond Terms, is hereby authorized and approved. The Bonds shall be in substantially the form attached as an exhibit to the Indenture of Trust.

2. The Chairman and Vice Chairman of the Authority, either of whom may act, are each hereby authorized and directed to execute and deliver on behalf of the Authority the Bond Purchase Agreement and the Official Statement upon approval by such executing officer of their final forms, terms and conditions, provided that such forms, terms and conditions are consistent with the Bond Terms. The use and distribution of the Official Statement in preliminary and final form by the Underwriter is authorized, and the Chairman or Vice Chairman is authorized to deem the Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and to approve the preparation and distribution of such amendments or supplements to the Official Statement as may be necessary to comply with the Bond Purchase Agreement. Such distribution shall constitute conclusive evidence that the Authority has deemed such preliminary official statement to be final as of its date within the meaning of the Rule, with respect to the information contained therein pertaining to the Authority. The sale of the Bonds to the Underwriter is hereby approved and authorized, provided the terms of such sale shall be consistent with the Bond Terms.

3. The execution, delivery and performance by the Authority of the Bond Documents to which the Authority is a party, in substantially the forms presented at this meeting with principal amounts, maturities and interest rates consistent with the Bond Terms are authorized, with such changes (including to the dates thereof), insertions or omissions consistent with the Bond Terms as may be approved by the Chairman or the Vice Chairman of the Authority, whose approval shall be evidenced conclusively by their execution and delivery thereof. The execution of the Bonds and their delivery against payment therefor, the amount of such payment to be disbursed in accordance with the terms of the Indenture of Trust, are authorized.

4. The Chairman and the Vice Chairman of the Authority, either of whom may act, are each hereby authorized and directed to execute and deliver on behalf of the Authority the Bonds and the Bond Documents to which the Authority is a party, with terms consistent with the Bond Terms, and the Secretary and the Assistant Secretary of the Authority, either of whom may act, are each hereby authorized and directed to affix the seal of the Authority to the Bonds and, if required, the Bond Documents and to attest such seal. The signatures of the Chairman, the Vice Chairman, the Secretary, and the Assistant Secretary, and the seal of the Authority may be by facsimile. Each officer of the Authority is authorized to execute and deliver on behalf of the Authority such instruments, documents or certificates consistent with the Bond Terms, including without limitation a tax certificate and documents that may be necessary to obtain credit enhancement and/or liquidity facilities for the Bonds, and to do and perform such other things and acts, as such officer deems necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Bonds, the Bond Documents or such other

instruments, documents or certificates, and all of the foregoing, previously done or performed by such officers of the Authority, are in all respects approved, ratified and confirmed.

5. The Authority determines that the issuance of the Bonds in accordance with the terms of the Bond Documents, including the Bond Terms, and all action of the Authority contemplated by them will be in furtherance of the purposes for which the Authority was organized.

6. At the request of the Borrower, the Authority approves McGuireWoods LLP, as Bond Counsel in connection with the issuance of the Bonds.

7. All costs and expenses incurred in connection with the issuance of the Bonds, including without limitation the fees and expenses of the Authority, Bond Counsel and Authority Counsel, will be paid by the Borrower or, to the extent permitted by applicable law, from the proceeds of the Bonds. If for any reason the Bonds are not issued, it is understood that all such expenses shall be paid by the Borrower, and that the Authority will have no responsibility for them.

8. The Bond Documents shall provide for indemnification and limitation of liability of the Authority, its members, and its officers, all in usual form.

9. The Bonds will not constitute a debt or pledge of the faith and credit or taxing power of the Commonwealth or any of its political subdivisions, including the Authority and the City of Alexandria, Virginia. Neither the Commonwealth nor any of its political subdivisions, including the Authority and the City of Alexandria, Virginia, will be obligated to pay the principal of, premium, if any, or interest on the Bonds or other costs incident to them except from the revenues and monies pledged for such purposes, and neither the faith and credit nor the taxing power of the Commonwealth or any of its political subdivisions, including the Authority and the City of Alexandria, Virginia, is pledged to the payment of principal of, premium, if any, or interest on the Bonds or other costs incident to them.

10. The Authority will not knowingly take or approve any action, investment or use of Bond proceeds that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

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

## **CERTIFICATE**

The undersigned Secretary of the Industrial Development Authority of the City of Alexandria ("Authority") certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority present and voting at a meeting duly called and held on November 1, 2016, in accordance with law, with a quorum present and acting throughout, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on this date.

WITNESS the following signature and seal of the Authority, as of November 1, 2016.

[SEAL]

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Secretary, Industrial Development Authority of the  
City of Alexandria