

RESOLUTION NO. 2745

**OF THE CITY COUNCIL OF
THE CITY OF ALEXANDRIA, VIRGINIA**

WHEREAS, the Industrial Development Authority of the City of Alexandria (the "Authority") has approved the application of Protestant Episcopal High School in Virginia (the "Borrower"), a nonstock, not-for-profit Virginia corporation, requesting that the Authority issue up to \$16,000,000 of its revenue bonds in one or more series at one time or from time to time (the "Bonds") to provide funds to the Borrower:

(1) to refund all or a portion of the outstanding principal amount of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 2010A, 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) to finance the construction, equipping and renovation of Liggett Hall, located on the Campus;

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

(4) to finance other capital improvements at the Campus; and

(5) to finance, 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. (Collectively items (1) through (5), the "Plan of Finance").

WHEREAS, the Authority held a public hearing on November 1, 2016;

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), provides that the governmental unit having jurisdiction over the issuer of private activity bonds and over the area in which any facility financed with the proceeds of private activity bonds is located must approve the issuance of the bonds and Section 15.2-4906 of the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended ("Act") sets forth the procedure for such approval;

WHEREAS, the Authority issues its bonds on behalf of the City of Alexandria, Virginia (the "City"), the facilities to be financed and refinanced with the proceeds of the Bonds are located in the City and the City Council of the City of Alexandria, Virginia (the "Council"), constitutes the highest elected governmental unit of the City;

WHEREAS, the Authority has recommended that the City approve the Plan of Finance and the issuance of the Bonds; and

WHEREAS, a copy of the Authority's inducement resolution regarding the issuance of the Bonds, subject to the terms to be agreed upon, a certificate of the public hearing and a Fiscal Impact Statement have been filed with the Council.

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

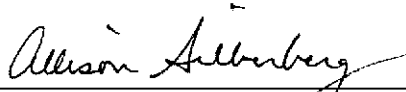
1. The Council approves the issuance of the Bonds, in an aggregate principal amount up to \$16,000,000, by the Authority for the benefit of the Borrower, solely to the extent required by Section 147(f) of the Code and Section 15.2-4906 of the Act, to permit the Authority to assist in accomplishing the Plan of Finance.

2. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Plan of Finance or the

Borrower. In accordance with Section 15.2-4909 of the Act, the Bonds shall not be deemed to constitute a debt or a pledge of the faith and credit or taxing power of the Commonwealth or any political subdivision thereof, including the Authority and the City.

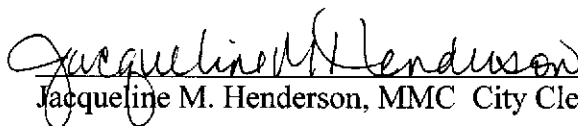
3. This resolution shall take effect immediately upon its adoption.

Adopted: November 9, 2016



ALLISON SILBERBERG MAYOR

ATTEST:



Jacqueline M. Henderson, MMC City Clerk

CERTIFICATE

The undersigned Secretary of the Industrial Development Authority of the City of Alexandria (the "Authority") hereby certifies as follows:

1. A meeting of the Authority was duly called and held on Tuesday, November 1, 2016, at 5:00 p.m., before the Authority, at the offices of Alexandria Economic Development Partnership, Inc. at 625 N. Washington Street, Suite 400, Alexandria, Virginia, pursuant to proper notice given to each Director of the Authority before such meeting. The meeting was open to the public. The time of the meeting and the place at which the meeting was held provided a reasonable opportunity for persons of differing views to appear and be heard.

2. The Chairman announced the commencement of a public hearing on the application of Protestant Episcopal High School in Virginia, a nonstock, not-for-profit Virginia corporation, and that a notice of the hearing was published once a week for two successive weeks in a newspaper having general circulation in the City of Alexandria, Virginia (the "Notice"), with the second publication appearing not less than six days nor more than twenty-one days prior to the hearing date. A copy of the Notice is attached and has been filed with the minutes of the Authority and is attached as Exhibit A.

3. A summary of the statements made at the public hearing is attached as Exhibit B.

4. Attached as Exhibit C is a true, correct and complete copy of the inducement resolution (the "Resolution") adopted at such meeting of the Authority by a majority of the Directors present at such meeting. The Resolution constitutes all formal action taken by the Authority at such meeting relating to matters referred to in the Resolution. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on this date.

WITNESS my hand and the seal of the Authority, as of November 1, 2016.

Secretary, Industrial Development Authority of the
City of Alexandria

[SEAL]

Exhibits:

- A - Copy of Certified Notice
- B - Summary of Statements
- C - Inducement Resolution

EXHIBIT A

NOTICE OF PUBLIC

(See Attached)

EXHIBIT B

Summary of Statements

Representatives of Protestant Episcopal High School in Virginia appeared before the Authority to describe the project and the proposed bond issue. No one appeared in opposition to the proposed bond issue.

EXHIBIT C

Inducement Resolution

(See

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]

Secretary, Industrial Development Authority of the
City of Alexandria

**FISCAL IMPACT STATEMENT
FOR PROPOSED BOND FINANCING**

Date: November 1, 2016

To the City Council of the City of Alexandria, Virginia

Applicant: Protestant Episcopal High School in Virginia (the "Borrower")

Facility/ The financing of improvements to the Borrower's campus, including (i) Liggett
Plan of Hall and (ii) faculty residences and refunding of Series 2010A Bonds

Finance:

1.	Maximum amount of financing sought	\$16,000,000
2.	Estimated taxable value of the facility's real property to be constructed in the locality.	N/A
3.	Estimated real property tax per year using present tax rates.	N/A
4.	Estimated personal property tax per year using present tax rates.	N/A
5.	Estimated merchants' capital tax per year using present tax rates.	N/A
6.	(a) Estimated dollar value per year of goods that will be purchased from Virginia companies within the locality	\$3,100,000
	(b) Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality	\$0
	(c) Estimated dollar value per year of services that will be purchased from Virginia companies within the locality	\$400,000
	(d) Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality	\$0
7.	Estimated number of regular employees on year round basis. *	170 FTE
8.	Average annual salary per employee. *	\$70,000

* Amounts shown are for the School as a whole and do not related solely to this financing.

Chairman
Industrial Development Authority of the City of
Alexandria