

**RESOLUTION OF
THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF ALEXANDRIA
AUTHORIZING THE ISSUANCE OF UP TO
\$8,350,000 REFUNDING REVENUE BONDS
(AMERICAN ACADEMY OF OTOLARYNGOLOGY –
HEAD AND NECK SURGERY FOUNDATION, INC. PROJECT) SERIES 2017
FOR THE BENEFIT OF AMERICAN ACADEMY OF OTOLARYNGOLOGY –
HEAD AND NECK SURGERY FOUNDATION, INC.**

WHEREAS, 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”), to issue its revenue bonds for the purpose of inducing nonprofit enterprises to locate or remain in Virginia and to promote the commerce, safety, health, welfare, convenience or prosperity of citizens of the Commonwealth of Virginia and to refund bonds issued for such purposes;

WHEREAS, the Authority has received a request from American Academy of Otolaryngology – Head and Neck Surgery Foundation, Inc. (the “Borrower”), a corporation which is described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), requesting that the Authority issue its Refunding Revenue Bonds (American Academy of Otolaryngology – Head and Neck Surgery Foundation, Inc. Project) Series 2017 (the “2017 Bonds”) to assist the Borrower in (a) refunding all or a portion of the Authority’s outstanding Headquarters Facilities Revenue Bonds (American Academy of Otolaryngology – Head and Neck Surgery Foundation, Inc.), Series 2008A (Taxable) and Series 2008B (Tax-Exempt) (the “2008 Bonds”) which were issued for the purpose of financing or refinancing certain costs of (i) the acquisition, development, construction, renovation and equipping of an approximately 28,000 square foot five story office building located at 1650 Diagonal Road in the City of Alexandria and the acquisition of a parking lot located at 100 Daingerfield Street in the City of Alexandria, (ii) minor improvements to the Borrower’s former headquarters facilities located at One Prince Street in the City of Alexandria, along with leasing commissions, moving costs and other related costs and (iii) the issuance of the 2008 Bonds, letter of credit or other credit enhancement costs, capitalized interest, working capital and other eligible expenditures; (b) funding swap breakage costs in connection with the refunding of the 2008 Bonds; and (c) funding certain costs of issuance of the 2017 Bonds (collectively, the “Project”);

WHEREAS, such assistance will induce the Borrower to remain in Virginia and benefit the inhabitants of the City of Alexandria, Virginia and the Commonwealth of Virginia, either through the increase of their commerce or through the promotion of their safety, health, welfare, convenience or prosperity;

WHEREAS, preliminary plans for the Project have been described to the Authority and a public hearing has been held as required by Section 147(f) of the Code and Section 15.2-4906 of the Act;

WHEREAS, the Borrower has represented that the estimated cost of the Project and all expenses of issue will require one or more issues of revenue bonds in the aggregate principal amount not to exceed \$8,350,000;

WHEREAS, the issuance of the 2017 Bonds as requested by the Borrower will not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or the City of Alexandria, Virginia, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof will be pledged to the payment of the 2017 Bonds;

WHEREAS, the 2017 Bonds will be issued pursuant to Bond Purchase and Loan Agreement, to be dated as of the first day of the month in which it is executed and delivered (the "Agreement"), among the Authority, STI Institutional & Government, Inc. (the "Purchaser") and the Borrower;

WHEREAS, the foregoing arrangements will be reflected in the following documents (all of such documents, except the 2017 Bonds, being referred to in this Resolution as the "Basic Documents") which the Authority proposes to execute to carry out the transactions described above, forms of which have been presented to this meeting and filed with the Authority's records:

- (a) the Agreement;
- (b) the 2017 Bonds, substantially in the form attached as an exhibit to the Agreement, bearing interest and payable as provided therein and in the Agreement; and
- (c) the Borrower's promissory note (including the form of the Authority's assignment thereof), substantially in the form attached as an exhibit to the Agreement;

WHEREAS, (a) no member of the Board of Directors of the Authority is an officer or employee of the City of Alexandria, Virginia, (b) each member has, before entering upon his or her 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 (c) at the time of their appointments and at all times thereafter, including the date hereof, all of the members of the Board of Directors of the Authority have satisfied the residency requirements of the Act; and

WHEREAS, no member of the Board of Directors of the Authority has any personal interest or business interest in the Borrower or the proposed revenue bonds 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, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF ALEXANDRIA:

1. It is hereby found and determined that the financing and refinancing of the Project will be in the public interest and will promote the commerce, safety, health, welfare, convenience or prosperity of the Commonwealth of Virginia, the City of Alexandria, Virginia and their citizens.

2. To induce the Borrower to locate and remain in the Commonwealth of Virginia, and particularly in the City of Alexandria, Virginia, the Authority hereby agrees to assist the Borrower in financing and refinancing the Project by undertaking the issuance of the 2017

Bonds, and authorizes and approves the issuance of the 2017 Bonds in an amount not to exceed \$8,350,000. The 2017 Bonds shall be substantially in the form attached as an exhibit to the Agreement.

3. The 2017 Bonds and the Basic Documents are approved in substantially the forms on file with the Authority, with such changes, insertions or omissions (including, without limitation, changes of the dates thereof and the captions of the 2017 Bonds) as do not adversely affect the interests of the Authority as may be approved by the Chairman or the Vice Chairman of the Authority, whose approval will be evidenced conclusively by the execution and delivery of the 2017 Bonds and the Basic Documents; provided, however, that (a) the principal amount of the 2017 Bonds shall not exceed \$8,350,000, (b) the final maturity date of the 2017 Bonds shall be no later than twenty-two (22) years from their date of issuance and (c) the 2017 Bonds shall initially bear interest at a fixed rate per annum not to exceed 6.00%, subject to adjustment as provided therein and in the Agreement, but at no time and in no event to exceed the maximum rate permitted by law.

4. The execution, delivery and performance by the Authority of the Basic Documents to which it is a party are hereby authorized. The execution of the 2017 Bonds, their delivery against payment therefor, and the amount of such payment to be disbursed in accordance with the terms of the Agreement, are hereby authorized.

5. The Chairman and the Vice Chairman of the Authority, either of whom may act, are hereby each authorized to execute and deliver on behalf of the Authority the 2017 Bonds and the Basic Documents to which the Authority is a party, and the Secretary or any Assistant Secretary of the Authority is hereby authorized to affix the seal of the Authority to the 2017 Bonds and, if required, the Basic Documents and to attest such seal. The signatures of the Chairman, the Vice Chairman, the Secretary or 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 (including, without limitation, certificates or documents with respect to tax compliance and no arbitrage), and to do and perform such things and acts, as such officer deems necessary or appropriate to carry out the transactions authorized by this resolution or contemplated by the 2017 Bonds, the Basic 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 hereby approved, ratified and confirmed.

6. At the request of the Borrower, the Authority approves McGuireWoods LLP, Tysons Corner, Virginia, as Bond Counsel in connection with the issuance of the 2017 Bonds and approves the sale of the 2017 Bonds to the Purchaser.

7. The Borrower will agree in the Agreement to indemnify the Authority and pay the Authority's administrative fees. All fees, costs and expenses in connection with the Project, including the Authority's administrative fees and the fees, costs and expenses of Bond Counsel, counsel to the Authority and counsel to the Purchaser, shall be paid by the Borrower or, to the extent permitted by applicable law, from the proceeds of the 2017 Bonds. If for any reason the 2017 Bonds are not issued, it is understood that all such costs and expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

8. The Authority recommends that the City Council of the City of Alexandria, Virginia approve the issuance of the 2017 Bonds.

9. No bonds may be issued pursuant to this Resolution until such time as the issuance of the 2017 Bonds has been approved by the City Council of the City of Alexandria, Virginia, and this Resolution is made expressly contingent upon such approval.

10. Neither the directors of the Authority nor any person executing the 2017 Bonds shall be liable personally on the 2017 Bonds by reason of the issuance thereof. No director, member, officer, employee or agent of the Authority shall incur any personal liability with respect to any other action taken by such person pursuant to the 2017 Bonds, the Basic Documents or the Act or any of the transactions contemplated thereby.

11. The approval of the issuance of the 2017 Bonds does not constitute an endorsement to a prospective purchaser of the 2017 Bonds or the creditworthiness of the Project or the Borrower. The issuance of the 2017 Bonds as requested by the Borrower will not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or the City of Alexandria, Virginia and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision of the Commonwealth of Virginia will be pledged to the payment of the 2017 Bonds. Neither the City of Alexandria, Virginia nor the Authority shall be obligated to pay the 2017 Bonds or the interest thereon or other costs incident thereto except from revenues and money pledged therefor.

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

ADOPTED: December 5, 2017

CERTIFICATE

The undersigned Secretary of the Industrial Development Authority of the City of Alexandria (the “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 December 5, 2017, in accordance with law, 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, this 5th day of December, 2017.

Secretary of the Industrial Development
Authority of the City of Alexandria

[SEAL]