

RESOLUTION OF THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE CITY OF ALEXANDRIA
RECOMMENDING APPROVAL BY THE CITY COUNCIL OF
THE CITY OF ALEXANDRIA, VIRGINIA OF A PROPOSED
ISSUE OF REVENUE BONDS BY THE INDUSTRIAL
DEVELOPMENT AUTHORITY OF FAIRFAX COUNTY,
VIRGINIA IN AN AMOUNT NOT TO EXCEED \$500,000,000
FOR THE BENEFIT OF INOVA ALEXANDRIA HOSPITAL
AND CERTAIN AFFILIATED ENTITIES

WHEREAS, the Industrial Development Authority of the City of Alexandria (the “Alexandria Authority”) has received a request from Inova Alexandria Hospital (the “Hospital”) and certain affiliated entities (collectively, “Inova”), requesting that the Alexandria Authority and the City Council of the City of Alexandria, Virginia (the “City Council”) approve the issuance by the Industrial Development Authority of Fairfax County, Virginia (the “Fairfax Authority”) of its revenue bonds (the “Bonds”) in an amount not to exceed \$500,000,000 to assist Inova in financing or refinancing all or part of the following plan of financing (collectively, the “Plan of Financing”) to: (a) refund all or any portion of the Virginia Small Business Financing Authority’s Health Care Revenue Bonds (Inova Health System Project), Series 2017, the Fairfax Authority’s outstanding Health Care Revenue Bonds (Inova Health System Project), Series 2005C-1 and Series 2005C-2 and the Fairfax Authority’s outstanding Variable Rate Demand Health Care Revenue Bonds (collectively, the “Refunded Bonds”); (b) fund a debt service reserve fund for the Bonds, if any, (c) finance a portion of interest accruing on the Bonds; and (d) pay certain expenses incurred in connection with the authorization, issuance and sale of the Bonds; and has held a public hearing with respect to the Plan of Financing on the date hereof;

WHEREAS, a portion of the proceeds of the Refunded Bonds were applied to the refunding of bonds previously issued by the Fairfax Authority, the proceeds of which were applied to refund a prior issue, the proceeds of which prior issue were applied to refund bonds issued for the benefit of the Hospital located in the City of Alexandria, Virginia;

WHEREAS, pursuant to Section 15.2-4905 of the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended (the “Act”), and Section 147 of the Internal Revenue Code of 1986, as amended (the “Code”), the Fairfax Authority may issue its bonds with respect to facilities outside of Fairfax County, Virginia if the governing body of the locality where the facilities are or will be located concurs with the inducement resolution for such bonds adopted by the Fairfax Authority and approves such issuance;

WHEREAS, the Alexandria Authority has been asked to concur in the resolution to be adopted by the Fairfax Authority on June 22, 2018 (the “Fairfax Resolution”), a true and correct copy of which has been filed with the Alexandria Authority, evidencing the Fairfax Authority’s

intention to issue its revenue bonds to assist in the Plan of Financing and to approve such issuance;

WHEREAS, a public hearing has been held on the date hereof by the Alexandria Authority regarding Inova's request and the Alexandria Authority desires to recommend (i) approval of the Plan of Financing and the proposed bond issue to the City Council, and (ii) concurrence of the City Council in the adoption of the Fairfax Resolution with respect to those facilities located or to be located in the City of Alexandria, Virginia (the "City of Alexandria") and approval of such issuance, in accordance with the requirements of Section 147(f) of the Code and Section 15.2-4906 of the Act;

WHEREAS, (a) no member of the Board of Directors of the Alexandria Authority is an officer or employee of the City of Alexandria, (b) 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 (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 Alexandria Authority have satisfied the residency requirements of the Act;

WHEREAS, no member of the Board of Directors of the Alexandria Authority has any personal interest or business interest in Inova, the subject bonds, or any of the transactions contemplated therein or has otherwise engaged in conduct prohibited under the State and Local Government 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 Alexandria Authority in connection therewith; and

WHEREAS, Inova (for itself, its affiliates, its successors, its trustees, its officers, its affiliates, and the assigns of all of the foregoing, howsoever they may appear), by tendering its request to the Alexandria Authority and accepting the Alexandria Authority's assistance pursuant to its adoption of this resolution, agrees to waive any claim or right as against and to indemnify and hold harmless the Alexandria Authority (and its Board of Directors and agents) and the City of Alexandria (and its City Council, officials, employees and agents), including the natural persons comprising the said Board of Directors and the said City Council, from and against any and all liability whatsoever as may ever arise from or in connection with the subject matter of this resolution and the bonds described herein, including, but not limited to, any and all liability whatsoever as may ever arise under any federal or state securities and taxation laws in connection therewith, and Inova agrees to execute a writing on or before the issuance of such bonds satisfactory to the Alexandria Authority and its counsel memorializing such indemnification agreement.

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

1. The Alexandria Authority concurs in the Fairfax Resolution and recommends approval and concurrence thereof, and in the issuance of the subject bonds by the Fairfax Authority, by the City Council with respect to the facilities located or to be located in the City of Alexandria. The effectiveness of this concurrence is expressly conditioned upon Inova's

agreement to indemnify and hold harmless the Alexandria Authority and the City of Alexandria, as described above in the last “Whereas” clause of this resolution.

2. All fees charged and costs and expenses incurred by the Alexandria Authority in connection with the Plan of Financing, including but not limited to the fees and expenses of counsel to the Alexandria Authority, shall be paid by Inova. If for any reason the subject bonds are not issued, it is understood that all such fees and expenses shall be paid by Inova and that the Alexandria Authority shall have no responsibility therefor.

3. The Alexandria Authority hereby directs the Secretary of the Alexandria Authority to deliver to the City Council a copy of this resolution, which constitutes the recommendation of the Alexandria Authority that the City Council concur in the Fairfax Resolution with respect to that portion of the facilities located or to be located in the City of Alexandria and approve the issuance of the subject bonds by the Fairfax Authority with respect to the facilities located or to be located in the City of Alexandria.

4. Neither the Commonwealth of Virginia nor the City of Alexandria nor the Alexandria Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto. 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 Bonds or the interest thereon or other costs incident thereto.

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

Adopted this ____ day of _____, 2018.

Vice Chairman, Industrial Development Authority
of the City of Alexandria

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