

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE CITY OF ALEXANDRIA  
AUTHORIZING THE ISSUANCE OF UP TO \$7,300,000 REVENUE BONDS FOR THE  
BENEFIT OF THE AMERICAN CORRECTIONAL ASSOCIATION**

**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 non-profit enterprises to locate or remain in Virginia and to promote the commerce, safety, health, welfare, convenience or prosperity of citizens of Virginia;

**WHEREAS**, the Authority has received a request from The American Correctional Association, a New York corporation (the “Borrower”) and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), requesting that the Authority issue its revenue bonds at one time or from time to time in one or more series to assist the Borrower in (1) refunding all or a portion of the Authority's Refunding Revenue Bond (The American Correctional Association Project), Series 2011 (the "2011 Bond"), in the original principal amount of \$5,130,000, which refinanced prior obligations of the Borrower, which prior obligations were used to assist the Borrower in financing (a) costs of acquiring, renovating and equipping an office building located at 200-206 North Washington Street, 709 Cameron Street and 711 Cameron Street and the parking lots located at 298 Columbus Street N and 304 Columbus Street N, all in the City of Alexandria, Virginia (collectively, the "Facilities") and (b) certain other costs and expenses incurred by the Borrower in connection with the issuance of such prior obligations; (2) refinancing an existing taxable loan (the "Taxable Loan"), which financed or refinanced costs of acquiring, renovating and equipping the Facilities; and (3) financing, if and as needed, capitalized interest on the Bonds, a debt service reserve fund for the Bonds, costs of issuance related to the issuance of the Bonds, working capital, routine capital expenditures at the Facilities and other related costs (collectively (1) – (3), the "Project").

**WHEREAS**, such assistance will induce the Borrower to remain in Virginia and benefit the inhabitants of the City of Alexandria 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**, the Project has 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 \$7,300,000 (the “Bonds”);

**WHEREAS**, the Bonds will be issued and sold to Sandy Spring Bank, or an affiliate thereof (the "Bond Purchaser") pursuant to a Loan and Financing Agreement (the "Agreement"),

to be dated a date on or prior to the date of issuance of the Bonds, among the Bond Purchaser, the Authority and the Borrower;

**WHEREAS**, the Bonds will be limited obligations of the Authority, the principal of, premium, if any, and interest on which will be payable solely out of the receipts and revenues of the Authority from the Agreement, the issuance of the 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 such Bonds;

**WHEREAS**, the foregoing arrangements will be reflected in the following documents (the "Basic Documents"), which the Authority proposes to execute to carry out the transactions described above, substantially final forms of which have been received by the Authority's counsel and filed with the Authority's records:

- (1) the Agreement;
- (2) Forms of the Bonds, bearing interest and payable as provided therein and in the Agreement; and
- (3) Forms of the Borrower's promissory notes (the "Notes"), including the form of the Authority's endorsement thereof;

**WHEREAS**, no member of the Board of Directors of the Authority is an officer or employee of the City of Alexandria, Virginia, each member has, before entering upon such member's duties during such member's 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 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 or business interest in the Borrower, the Bonds, the Basic Documents 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, the Bonds, the Basic Documents 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 assisting the Borrower in financing or refinancing 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 and their citizens.

**2.** To induce the Borrower to remain in the Commonwealth of Virginia, and particularly in the City of Alexandria, the Authority hereby authorizes and approves the issuance

of the Bonds in an amount not to exceed \$7,300,000. The Bonds shall be substantially in the form attached as an exhibit to the Agreement.

3. The Bonds and the Basic Documents are approved in substantially the forms on file with the Secretary of the Authority, with such changes, insertions, or omissions (including, without limitation, changes of the dates thereof) 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 Bonds. The formula for determining the interest rates on the Bonds and the other terms of the Bonds, all as set forth in the Agreement, are hereby approved. The Chairman and the Vice Chairman of the Authority, either of whom may act, are hereby each authorized and directed to approve the final terms upon which the Bond Purchaser shall purchase the Bonds; provided, however, that the principal amount of the Bonds shall not exceed \$7,300,000, the maximum rate of interest on the Bonds shall not exceed the maximum rate permitted by law, and the final maturity of the Bonds shall be no later than 20 years from the date of issuance of the Bonds.

4. The execution, delivery and performance by the Authority of the Basic Documents to which it is a party are authorized. The execution of the 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 Bonds and the Basic Documents to which the Authority is a party, and the Secretary and any Assistant Secretary of the Authority, either of whom may act, are each hereby authorized to affix the seal of the Authority to the Bonds and, if required, the Basic Documents and to attest such seal. The signatures of the Chairman, the Vice Chairman, the Secretary and any 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, 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 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. The Authority determines that the issuance of the Bonds in accordance with the terms of the Basic Documents and all action of the Authority contemplated by them will be in furtherance of the purposes for which the Authority was organized.

7. At the request of the Borrower, the Authority approves McGuireWoods LLP, Tysons Corner, Virginia, as Bond Counsel in connection with the issuance of the Bonds.

8. Neither the directors of the Authority nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

9. All costs and expenses in connection with the undertaking of the Project, including the fees and expenses of Bond Counsel and Authority Counsel, shall be paid by the Borrower or, to the extent permitted by applicable law, from the proceeds of the Bonds. If for any reason such

Bonds are not issued, it is understood that all such expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

**10.** The Bonds shall be limited obligations of the Authority payable solely from the revenues and monies pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia nor any political subdivision thereof, including the City of Alexandria, Virginia, will be pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto.

**11.** The Authority recommends that the City Council of the City of Alexandria, Virginia approve the issuance of the Bonds.

**12.** No Bonds may be issued pursuant to this resolution until such time as the issuance of the Bonds has been approved by the City Council of the City of Alexandria, Virginia, as required by Section 147(f) of the Code and Section 15.2-4906 of the Act.

**13.** 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 Project or the Borrower.

**13.** This resolution shall take effect immediately upon its adoption.

**ADOPTED: January 15, 2019**

## 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 January 15, 2019, 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 15<sup>th</sup> day of January, 2019.

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Secretary of the Industrial Development  
Authority of the City of Alexandria

[SEAL]