

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF ALEXANDRIA
AUTHORIZING THE ISSUANCE OF UP TO \$249,400,000 REVENUE BONDS FOR
THE BENEFIT OF INSTITUTE FOR DEFENSE ANALYSES AND THE AMENDMENT
AND REISSUANCE OF UP TO \$57,515,000 OF ITS VARIABLE RATE REVENUE
BONDS (INSTITUTE FOR DEFENSE ANALYSES PROJECT) SERIES 2015A**

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 Institute for Defense Analyses, a Delaware non-stock, non-profit corporation (the “Borrower”) and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), requesting:

- (a) the issuance of up to \$249,400,000 of the Authority’s revenue bonds (the “Series 2019 Bonds”), in one or more series, at one time or from time to time, pursuant to a plan of finance, to assist the Borrower in financing or refinancing all or a portion of the costs incurred in connection with (i) the refinancing of taxable debt incurred to finance the acquisition of land (the “Land”) identified as Parcel G-D with a street address of 701 East Glebe Road at Dogue Street, in the Potomac Yard development within the City of Alexandria, Virginia (the “City”) now owned by the Borrower, (ii) the construction of a new office building containing approximately 370,000 square feet above grade comprising two six-story towers over a two-story base along with two stories of below grade parking to be located on the Land and owned and operated by the Borrower as a headquarters facility, conference center and general office environment (the “Facility”), (iii) the purchase of fixtures, equipment and furnishings, together with other property, real and personal, functionally related and subordinate thereto and all located in or adjacent to the Facility, and (iv) certain other expenditures associated with the foregoing to the extent financeable which may include, without limitation, original issue discount, costs of issuance, capitalized interest, credit enhancement costs, liquidity costs, working capital and a debt service reserve (collectively, the “Potomac Yard Project”); and
- (b) the amendment and reissuance of the Authority’s Variable Rate Revenue Bonds (Institute for Defense Analyses Project) Series 2015A (the “Series 2015A Bonds”), which refunded the Authority’s Variable Rate Revenue Bonds, (Institute for Defense Analyses Project) Series 2000B, the Authority’s Variable Rate Revenue Refunding Bonds (Institute for Defense Analyses Project) Series 2005 and the Authority’s Variable Rate Revenue Bonds (Institute for Defense Analyses Project) Series 2006, the proceeds of which were used to finance or refinance all or a portion of the costs of (i) the acquisition, construction and equipping of a 10-story office building containing approximately 250,000 rentable square feet of office space and a parking garage to serve primarily as office and research space for the Borrower located at 4850 Mark Center Drive in the City and to fund related costs (the “4850 Project”), and (ii) the acquisition of an approximately 4.14 acre parcel at 4860 Mark Center Drive in the

City and the construction and development thereon of an approximately 3,000 square foot tennis court, and related costs (the "4860 Project" and, together with the 4850 Project, the "Mark Center Drive Projects"), the maximum principal amount of such Series 2015A Bonds to be reissued in connection with (A) the 4850 Project being \$41,000,000 and (B) the 4860 Project being \$16,515,000;

WHEREAS, such assistance will induce the Borrower to remain in Virginia and benefit the inhabitants of the City 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 Potomac Yard 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 Potomac Yard Project and all expenses of issue will require one or more issues of Series 2019 Bonds in an aggregate principal amount not to exceed \$249,400,000;

WHEREAS, the Series 2015A Bonds were issued pursuant to a Fourth Supplemental Indenture of Trust dated as of October 7, 2015 between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), as heretofore amended (the "2015 Indenture"), and the proceeds thereof were loaned to the Borrower pursuant to a Third Supplemental Loan Agreement dated as of October 7, 2015 between the Authority and the Borrower, as heretofore amended (the "2015 Loan Agreement"), for the purpose of refunding bonds previously issued by the Authority to finance and refinance the Mark Center Drive Projects;

WHEREAS, the Borrower and BB&T Community Holdings Company ("BB&TCHC"), the owner of the Series 2015A Bonds, have agreed to certain modifications and amendments (the "Amendments") of the Series 2015 Indenture, the Series 2015 Loan Agreement and the Series 2015 Bonds and related documents and have requested the Authority's assistance in effecting the Amendments;

WHEREAS, the Amendments will be reflected in the following documents which the Authority proposes to execute in connection therewith, substantially final forms of which have been submitted to this meeting (collectively, the "Amendment Documents"), each to be dated as of the closing date of the Amendments: (a) the Fifth Supplemental Indenture of Trust and Fourth Supplemental Loan Agreement by and among the Authority, the Borrower and the Trustee and to be consented to by BB&TCHC, (b) the Allonge to Promissory Note to be executed by the Borrower and consented to and authorized by the Authority, the Trustee and BB&TCHC, and (c) the Allonge to Bond to be executed by the Authority and acknowledged by the Trustee and BB&TCHC;

WHEREAS, the Amendments are expected to cause a deemed refunding and reissuance of the Series 2015A Bonds for federal income tax purposes and to include an extension of the average weighted maturity of the Series 2015A Bonds;

WHEREAS, in connection with the Amendments, a public hearing has been held as required by Section 147(f) of the Code and Section 15.2-4906 of the Act; and

WHEREAS, the issuance of the Series 2019 Bonds and the amendment and reissuance of the Series 2015A 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, 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 any Series 2019 Bonds or Series 2015A Bonds.

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 funding the Potomac Yard Project and in giving effect to the Amendment Documents in connection with the Mark Center Drive Projects will be in the public interest and will promote the commerce, safety, health, welfare, convenience or prosperity of the Commonwealth of Virginia, the City and their citizens.

2. To induce the Borrower to remain in the Commonwealth of Virginia, and particularly in the City, the Authority hereby agrees to assist the Borrower in (a) funding the Potomac Yard Project by undertaking the issuance of the Series 2019 Bonds in an amount not to exceed \$249,400,000 at one time or from time to time in one or more series upon terms and conditions mutually agreeable to the Authority and the Borrower and (b) amending and reissuing the outstanding Series 2015A Bonds in an aggregate amount not to exceed \$57,515,000. The Series 2019 Bonds will be issued pursuant to documents satisfactory to the Authority. The Series 2015A Bonds will be amended and reissued pursuant to the Amendment Documents.

3. At the request of the Borrower, the Authority approves McGuireWoods LLP, Tysons Corner, Virginia, as Bond Counsel in connection with the issuance of the Series 2019 Bonds and the amendment and reissuance of the Series 2015A Bonds.

4. The Series 2019 Bonds and the reissued Series 2015A 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, will be pledged to the payment of the principal of the Series 2019 Bonds or the Series 2015A Bonds or the interest thereon or other costs incident thereto.

5. It having been represented to the Authority that it is necessary to proceed immediately with the financing and refinancing of the acquisition, development, construction, furnishing and equipping of the Facility, and the planning therefor (collectively, the "Development of the Potomac Yard Project"), the Authority agrees that the Borrower may proceed with plans for the Development of the Potomac Yard Project, enter into contracts for construction, materials, equipment and services for the Development of the Potomac Yard Project, and take such other steps as it may deem appropriate in connection with the Development of the Potomac Yard Project, provided, however, that nothing in this resolution shall be deemed to authorize the Borrower to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Development of the Potomac Yard Project or any portion thereof. The Authority agrees that the Borrower may be reimbursed from the proceeds of the Series 2019 Bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act and applicable federal laws.

6. In adopting this resolution the Authority intends to take “official action” toward the issuance of the Series 2019 Bonds and to evidence its “official intent” to reimburse from the proceeds of the Series 2019 Bonds any expenditures paid by the Borrower to finance or refinance the Development of the Potomac Yard Project before the issuance of the Series 2019 Bonds, all within the meaning of regulations issued by the Internal Revenue Service pursuant to Sections 103 and 141 through 150 and related sections of the Code, subject to approval of the issuance of the Series 2019 Bonds by the City Council of the City (the “City Council”).

7. Neither the directors of the Authority nor any person executing the Series 2019 Bonds or the reissued Series 2015A Bonds shall be liable personally on the Series 2019 Bonds by reason of the issuance thereof or on the reissued Series 2015A Bonds by reason of the reissuance thereof.

8. All lawful fees, costs and expenses in connection with the Potomac Yard Project, including the Authority’s administrative fees and the fees, costs 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 Series 2019 Bonds. If for any reason the Series 2019 Bonds are not issued, or the Series 2019 Bonds are issued but it is determined that a part or all of such costs are not lawfully payable out of the proceeds of the Series 2019 Bonds, it is understood that all such costs and expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

9. The Amendment Documents shall be in substantially the form submitted to this meeting, except that the Authority approves any changes, insertions or omissions (including changes in the dates thereof and changes in the terms of the Amendment Documents and the other Bond Documents (as defined in the 2015 Indenture) required to be amended to reflect the Amendments) so long as they do not materially adversely affect the interests of the Authority and are approved by the Chairman or Vice Chairman of the Authority, whose approval shall be evidenced conclusively by the execution and delivery of the Amendment Documents in final form.

10. The Chairman and the Vice Chairman of the Authority are each authorized to execute and deliver the Amendment Documents on behalf of the Authority, and, if required, the Secretary and any Assistant Secretary of the Authority are each authorized to affix the seal of the Authority to the Amendment Documents and to attest such seal. Each officer of the Authority is authorized to execute and deliver on behalf of the Authority such instruments, documents or certificates (including, without limitation, Internal Revenue Service Form 8038 and certificates and other documents relating to non-arbitrage and tax compliance), and to do and perform such things and acts, as they shall deem necessary or appropriate to carry out the transactions authorized by this resolution or contemplated by the Amendment Documents or such 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.

11. The Borrower has agreed to indemnify the Authority and pay the Authority’s administrative fees as provided in the 2015 Loan Agreement. All fees, costs and expenses in connection with the Amendments, including, the Authority’s administrative fees (including without limitation the Authority’s refunding application fee of \$5,000) and the fees, costs and expenses of bond counsel, the Trustee, counsel to the Authority, counsel to the Trustee and

counsel to BB&TCHC, shall be paid by the Borrower, and the Authority shall have no responsibility therefor.

12. By requesting this resolution, the Borrower waives any claim against the Authority, its directors, officers, members, and agents, and the City, its officials, employees, and agents, with respect to every direct and indirect actual, potential, and contingent liability, claim, charge, award, and judgment (each, a "Claim") arising out of or related to the subject-matter of this resolution and Borrower hereby promises, agrees, warrants, and covenants to fully and absolutely defend and indemnify the Authority and the City against any Claim arising out of or related to the subject matter of this resolution.

13. The Authority recommends that the City Council approve the issuance of the Series 2019 Bonds and the amendment and reissuance of the Series 2015A Bonds.

14. No Series 2019 Bonds may be issued pursuant to this resolution until such time as the issuance of the Series 2019 Bonds has been approved by the City Council.

15. The Amendment Documents may not be executed and delivered by the Authority, nor may the Series 2015A Bonds be reissued pursuant to this resolution, until such time as the reissuance of the Series 2015A Bonds has been approved by the City Council.

16. The Authority's approval of the issuance of the Series 2019 Bonds does not constitute an endorsement to a prospective purchaser of the Series 2019 Bonds of the creditworthiness of the Potomac Yard Project or the Borrower. The Authority's approval of the Amendment Documents and the reissuance of the Series 2015A Bonds does not constitute an endorsement to an owner or a prospective purchaser of the Series 2015A Bonds of the creditworthiness of the Mark Center Drive Projects or the Borrower.

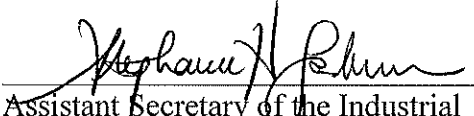
17. This resolution shall take effect immediately upon its adoption.

ADOPTED: April 2, 2019

CERTIFICATE

The undersigned Assistant 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 April 2, 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 2nd day of April, 2019.


Assistant Secretary of the Industrial
Development Authority of the City of
Alexandria

[SEAL]