

EXHIBIT NO. 1

City of Alexandria, Virginia

19
5-12-01

~~116~~
~~4-10-01~~

MEMORANDUM

DATE: APRIL 4, 2001

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER ^{PS}

SUBJECT: AN ORDINANCE AUTHORIZING AND EMPOWERING THE ISSUANCE, SALE, AND DELIVERY OF GENERAL OBLIGATION BONDS TO FINANCE VARIOUS PUBLIC IMPROVEMENTS

ISSUE: Consideration of an ordinance to authorize the issuance of General Obligation Bonds to finance various City and School public improvements consistent with the Proposed FY 2002 - FY 2007 Capital Improvement Program.

RECOMMENDATION: That City Council pass on first reading and schedule for public hearing, second reading, and final passage on May 12, 2001, an ordinance (Attachment I) authorizing and empowering the issuance, sale and delivery of bonds not to exceed \$54.5 million to finance various public improvements.

BACKGROUND: The proposed ordinance amends the bond ordinances approved by City Council on February 23, 1999, and June 17, 2000, to reflect funding requirements for the Proposed FY 2002 - FY 2007 Capital Improvement Program (CIP). Specifically, the ordinance authorizes the issuance of up to \$54.5 million in General Obligation Bonds which covers the proposed bond issues of \$30.5 million for FY 2002 capital projects and \$24.0 million for FY 2003 capital projects (Proposed FY 2002 - FY 2007 CIP, page 14). The proposed CIP funding and proposed bond issuance are consistent with the City's adopted debt related financial policies.

This authorization is sought at this time to enable the City to take advantage of the low interest rates expected to be available this spring and summer. A public hearing on these bonds will occur on May 12, after Council adopts a FY 2002-FY2007 CIP on May 7. If City Council amends the proposed CIP, on May 12 the proposed ordinance can be amended to reflect the adopted CIP. The public hearing would be early enough so that staff can schedule bond rating agency presentations, prepare bond documentation and request a City Council resolution to issue the bonds prior to Council's summer recess. We are seeking authorization for up to \$54.5 million to provide maximum flexibility in the amount borrowed to take advantage of anticipated low interest rates. It is expected that these bonds would be rated AAA by Standard & Poors and Aaa by Moody's Investors Service.

The major project categories and amounts covered by this bond authorization are:

Schools

\$40,500,000

This amount will be used for the middle school expansion program, the remodeling, repair and expansion of existing school buildings, and the acquisition of necessary equipment, as described in the capital budget under the title "Schools" (Proposed Capital Improvement Program FY 2002 - FY 2007, Pages 37 through 43).

City Parks and Buildings

\$8,000,000

The amount includes funding for City building projects, as described in the capital budget under the title "Recreation and Parks" and "Public Buildings" (Proposed Capital Improvement Program FY 2002 - FY 2007, Pages 64 through 110).

Infrastructure

\$6,000,000

This amount represents the funding for the construction, renovation and improvement of City streets, bridges and tunnels, storm and sanitary sewers, and for the acquisition of the necessary equipment, as described in the capital budget under the title "Streets and Bridges" and "Sewers" (Proposed Capital Improvement Program FY 2002 - FY 2007, Pages 129 through 162).

TOTAL

\$54,500,000

It should be noted that, based on prior CIPs, Council has previously authorized the issuance of \$20.0 million of these bonds. Thus, the proposed ordinance reflects the addition of \$34.5 million in new bond issuance authority.

FISCAL IMPACT: The proposed ordinance provides authorization for an issuance of General Obligation bonds not to exceed \$54.5 million. The authorization represents a ceiling, and the amount issued would be between the \$30.5 million needed for FY 2002 and the \$54.5 million total needed through FY 2003.

Prior to the issuance of any of these bonds, staff will return to Council with a proposed resolution to set the terms of the bond sale. The fiscal impact on the City's debt service for a bond issuance of \$30.5 million is included in the Proposed FY 2002 Operating Budget. The proposed budget includes \$2.2 million for debt service on the bonds issued to raise the \$30.5 million needed to cover projects contained in the FY 2002 CIP. If bonds totaling more than \$30.5 million are issued this June, interest earnings on the additional amount issued would be used to pay the additional debt service interest cost caused by the additional borrowing. This is possible due to the fact that bond proceeds are invested prior to their drawdown for expenditure and, under federal arbitrage regulations, the City may retain all interest earnings up to its interest costs. As a result, any acceleration in borrowing can be financed in FY 2002 with the interest earned by the investment of accelerated borrowed amounts.

ATTACHMENT: Attachment I. Ordinance authorizing and empowering the issuance, sale and delivery of general obligation bonds

STAFF: Mark Jinks, Assistant City Manager
D.A. Neckel, Director of Finance
Alfred Coleman, Management and Budget Analyst, OMB

19
5-12-01

16
4-10-01

Introduction and first reading:
Public hearing:
Second reading and enactment:

4/10/01
5/12/01
5/12/01

INFORMATION ON PROPOSED ORDINANCE

Title

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS FOR VARIOUS PUBLIC IMPROVEMENTS IN THE ESTIMATED MAXIMUM AMOUNT OF \$54,500,000; AND PROVIDING FOR REIMBURSEMENT TO THE CITY OF ALEXANDRIA FROM BOND PROCEEDS.

Summary

The proposed ordinance authorizes the issuance by the city of up to \$54.5 million in general obligation bonds to finance the cost of various capital improvements to be undertaken in the city.

Sponsor

Staff

Mark Jinks, Assistant City Manager
Dan Neckel, Director of Finance
Ignacio B. Pessoa, City Attorney

Authority

§ 15.2-2600 et seq., Code of Virginia (1950), as amended

Estimated Costs of Implementation

None

Attachments in Addition to Proposed Ordinance and its Attachments (if any)

None

19
5-12-01

16
4-10-01

ORDINANCE NO. _____

AN ORDINANCE authorizing the issuance of General Obligation Capital Improvement Bonds for various Public Improvements in the Estimated maximum amount of \$54,500,000; and providing for reimbursement to the City of Alexandria from bond proceeds.

WHEREAS, the City Council of the City of Alexandria, Virginia ("City") has determined that it is advisable to issue up to \$54,500,000 general obligation bonds of the City to finance the cost, in whole or in part, of various capital improvements as described below; and

WHEREAS, the City Council by Ordinance No. 4139, has previously authorized the issuance and sale of general obligation bonds of the City in the maximum amount of \$75,000,000, and has issued bonds in the amount of \$55,000,000, leaving a balance of \$20,000,000 unissued bonds; now, therefore,

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

1. Authorization of Bonds and Use of Proceeds. The City Council hereby determines that it is advisable to contract a debt and to issue and sell general obligation bonds in the aggregate maximum principal amount of \$34,500,000 which may be issued and sold together with the bonds previously authorized but unissued pursuant to Ordinance No. 4139 in an aggregate principal amount of \$54,500,000 (the "Bonds"). The issuance and sale of the Bonds are hereby authorized. The proceeds from the issuance and sale of the Bonds shall be used to pay all or a portion of the costs of the Projects as described below and the Director of Finance is authorized and directed to determine the portion of the cost of each Project to be financed with Bond proceeds.

General Project Description

Estimated Maximum Cost

Schools

Construction, remodeling and repairing of new or existing school buildings and acquisition of necessary equipment (this project includes projects contained in the capital improvement program under "Schools").	\$40,500,000
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City Parks and Buildings

Construction, renovation and improvement of new or existing City buildings and park facilities and acquisition of necessary land and equipment (this project includes projects contained in the capital improvement program under "Recreation and Parks" and "Public Buildings").	\$8,000,000
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Construction, renovation and improvement of City streets, bridges, storm and sanitary sewers and acquisition of the necessary equipment (this project includes projects contained in the capital improvement program under "Streets and Bridges" and "Sewers").	\$6,000,000
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Total: \$54,500,000

2. Pledge of Full Faith and Credit. The full faith and credit of the City are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable. The City Council shall levy an annual ad valorem tax upon all property in the City, subject to local taxation, sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same shall become due for payment unless other funds are lawfully available and appropriated for the timely payment thereof.

3. Details and Sale of Bonds. The Bonds shall be issued upon the terms established pursuant to this Ordinance and upon such other terms as may be determined in the manner set forth in this Ordinance. The Bonds shall be issued in one or more series, in fully registered form, shall be dated such date or dates as the City Manager and the Director of Finance, or either of them, may approve, shall be in the denominations of \$5,000 each or whole multiples thereof and shall be numbered from R-1 upwards consecutively. The Bonds shall mature on such dates and in such amounts and shall be issued in such principal amount as the City Manager and the Director of Finance, or either of them, may approve, provided that the final maturity of the Bonds is not more than approximately 20 years from their date and the aggregate principal amount of the Bonds is not more than the maximum amount set forth in paragraph 1 above. The City Manager and the Director of Finance, or either of them, is authorized and directed to accept the bid for the purchase of the Bonds which results in the lowest true interest cost to the City and the Bonds shall bear interest, payable semi-annually, at such rate or rates and shall be sold to the successful bidder at such price as may be set forth in the bid so accepted; provided that the true interest cost of the Bonds shall not exceed 8.5% per annum. The City Manager and the Director of Finance, or either of them, is authorized and directed to approve such optional redemption provisions for the Bonds as such officer or officers determine to be in the best interest of the City. The City Council may provide for additional or other terms of the Bonds by subsequent resolution.

4. **Form of Bonds.** The Bonds shall be in substantially the form attached to this Ordinance as Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance. There may be endorsed on the Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

5. **Book-Entry-Only-Form.** The Bonds shall be issued in book-entry-only form. The Bonds shall be issued in fully-registered form and registered in the name of Cede & Co., as nominee

of The Depository Trust Company, New York, New York ("DTC") as registered owner of the Bonds, and immobilized in the custody of DTC. Only fully-registered Bond in typewritten or printed form for the principal amount of each maturity of the Bonds shall be registered to Cede & Co. Beneficial owners of the Bonds shall not receive physical delivery of the Bonds. Principal, premium, if any, and interest payments on the Bonds shall be made to DTC or its nominee as registered owner of the Bonds on the applicable payment date.

Transfer of ownership interest in the Bonds shall be made by DTC and its participants (the "Participants"), acting as nominees of the beneficial owners of the Bonds in accordance with rules specified by DTC and its Participants. The City shall notify DTC of any notice required to be given pursuant to this Ordinance or the Bonds not less than fifteen (15) calendar days prior to the date upon which such notice is required to be given. The City shall also comply with the agreements set forth in the City's Letter of Representations to DTC.

Replacement Bonds (the "Replacement Bonds") shall be issued directly to beneficial owners of the Bonds rather than to DTC or its nominee but only in the event that:

- (i) DTC determines not to continue to act as securities depository for the Bonds; or
- (ii) The City has advised DTC of its determination not to use DTC as a securities depository; or
- (iii) The City has determined that it is in the best interest of the beneficial owners of the Bonds or the City not to continue the book-entry system of transfer.

Upon occurrence of the event described in (i) or (ii) above, the City shall attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City Council shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit A to the Ordinance to the Participants. In the event the City Council, in its discretion, makes the determination noted in (iii) above and has made provisions to notify the beneficial owners of the Bonds by mailing an appropriate notice to DTC, the appropriate officers and agents of the City shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit A to this Ordinance to any Participants requesting such Replacement Bonds. Principal of and interest on the Replacement Bonds shall be payable as provided in this Ordinance and in the Bonds and Replacement Bonds will be transferable in accordance with the provisions of paragraphs 9 and 10 of this Ordinance and the Bonds.

6. Appointment of Bond Registrar and Paying Agent. The City Manager and the Director of Finance, or either of them, are authorized and directed to appoint a Bond Registrar and Paying Agent for the Bonds.

The City Council may appoint a subsequent registrar and/or one or more paying agents for the Bonds by subsequent resolution and upon giving written notice to the owners of the Bonds specifying the name and location of the principal office of any such registrar or paying agent.

7. **Execution of Bonds.** The Mayor and the Clerk of the City are authorized and directed to execute appropriate negotiable Bonds and to affix the seal of the City thereto and to deliver the Bonds to the purchaser thereof upon payment of the purchase price. The manner of execution and affixation of the seal may be by facsimile, provided, however, that if the signatures of the Mayor and the Clerk are both by facsimile, the Bonds shall not be valid until signed at the foot thereof by the manual signature of the Bond Registrar.

8. **CUSIP Numbers.** The Bonds shall have CUSIP identification numbers printed thereon. No such number shall constitute a part of the contract evidenced by the Bond on which it is imprinted and no liability shall attach to the City, or any of its officers or agents by reason of such numbers or any use made of such numbers, including any use by the City and any officer or agent of the City, by reason of any inaccuracy, error or omission with respect to such numbers.

9. **Registration, Transfer and Exchange.** Upon surrender for transfer or exchange of any Bond at the principal office of the Bond Registrar, the City shall execute and deliver and the Bond Registrar shall authenticate in the name of the transferee or transferees a new Bond or Bonds of any authorized denomination in an aggregate principal amount equal to the Bond surrendered and of the same form and maturity and bearing interest at the same rate as the Bond surrendered, subject in each case to such reasonable regulations as the City and the Bond Registrar may prescribe. All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the City and the Bond Registrar, duly executed by the registered owner or by his or her duly authorized attorney-in-fact or legal representative. No Bond may be registered to bearer.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the City, evidencing the same debt as the Bonds surrendered, shall be secured by this Ordinance and entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

10. **Charges for Exchange or Transfer.** No charge shall be made for any exchange or transfer of Bonds, but the City may require payment by the registered owner of any Bond of a sum sufficient to cover any tax or other governmental charge which may be imposed with respect to the transfer or exchange of such Bond.

11. **Typewritten or Printed Bonds.** The City may initially issue any or all of the Bonds in typewritten or printed form, as determined by the Director of Finance and the City Manager, or either of them. If any of the Bonds are to be issued in printed form, the City may initially issue such Bonds in temporary, typewritten form and shall promptly prepare, execute and deliver to the registered owners Bonds in printed form of the same maturity and interest rate and for the same aggregate principal amount as the typewritten Bonds. Appropriate variations, omissions and insertions may be made in the Bonds to facilitate printing. The Bonds will also be eligible for deposit with The Depository Trust Company.

12. **Non-Arbitrage Certificate and Tax Covenants.** The City Manager and the Director of Finance, or either of them, and such officers and agents of the City as either of them may designate are authorized and directed to execute a Non-Arbitrage Certificate and Tax Covenants

setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to comply with the provisions of the Internal Revenue Code of 1986, as amended ("Code"), including the provisions of Section 148 of the Code and applicable regulations relating to "arbitrage bonds." The City Council covenants on behalf of the City that the proceeds from the issuance and sale of the Bonds will be invested and expended as set forth in the City's Non-Arbitrage Certificate and Tax Covenants, to be delivered simultaneously with the issuance and delivery of the Bonds and that the City shall comply with the other covenants and representations contained therein.

13. Disclosure Documents. The City Manager and the Director of Finance, or either of them, and such officers and agents of the City as either of them may designate are hereby authorized and directed to prepare, execute, if required, and deliver an appropriate notice of sale, preliminary official statement, official statement, continuing disclosure agreement or such other offering or disclosure documents as may be necessary to expedite the sale of the Bonds. The notice of sale, preliminary official statement, official statement, continuing disclosure agreement or other documents shall be published in such publications and distributed in such manner, including electronically, and at such times as the Director of Finance shall determine. The Director of Finance is authorized and directed to deem the preliminary official statement "final" for purposes of Securities and Exchange Commission Rule 15c2-12.

14. Further Actions; Public Hearing. The City Manager and the Director of Finance and such officers and agents of the City as either of them may designate are authorized and directed to take such further action as they deem necessary regarding the issuance and sale of the Bonds and all actions taken by such officers and agents in connection with the issuance and sale of the Bonds are ratified and confirmed.

The Clerk of the City is authorized and directed to advertise a public hearing to be held by the City Council in accordance with Section 15.2-2606 of the Code of Virginia of 1950, as amended before the issuance of the Bonds.

15. Reimbursement. The City Council adopts this declaration of official intent under Treasury Regulations Section 1.150-2. The City Council reasonably expects to reimburse advances made or to be made by the City to pay the costs of the Projects from the proceeds of its debt. The maximum amount of debt expected to be issued for the Projects is set forth in paragraph 1 above. The City hereby authorizes the Director of Finance, on behalf of the City, to specifically declare the City's official intent to reimburse portions of the cost of the Projects with Bond proceeds.

16. **Effective Date; Applicable Law.** In accordance with Section 15.2-2601 of the Code of Virginia of 1950, as amended, the City Council elects to issue the Bonds pursuant to the provisions of the Public Finance Act of 1991. This Ordinance shall take effect upon the date and at the time of its final passage.

KERRY J. DONLEY
Mayor

Introduction: 4/10/01
First Reading: 4/10/01
Publication: 4/19/01; 4/26/01
Public Hearing: 5/12/01
Second Reading: 5/12/01
Final Passage:

Exhibit A - FORM OF BOND

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

No. R-

CITY OF ALEXANDRIA

GENERAL OBLIGATION CAPITAL IMPROVEMENT BOND, SERIES ____

MATURITY DATE

INTEREST RATE

CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT:

CITY OF ALEXANDRIA, VIRGINIA (the "City"), for value received, acknowledges itself indebted and promises to pay to the registered owner of this Bond or legal representative, the principal amount stated above on the maturity date set forth above and to pay interest on the principal amount of this Bond at the rate specified above per annum, payable semiannually on _____ 1 and _____ 1, beginning on _____ 1, _____. This Bond shall bear interest (a) from _____, _____, if this Bond is authenticated before _____ 1, _____ or (b) otherwise from the _____ 1 or _____ 1 that is, or immediately precedes, the date on which this Bond is authenticated; provided that, if at the time of authentication of this Bond, interest on this Bond is in default, this Bond shall bear interest from the date to which interest has been paid. Both principal of and interest on this Bond are payable in lawful money of the United States of America. The principal of this Bond is payable upon presentation and surrender hereof at the office of _____, as Bond Registrar and Paying Agent ("Bond Registrar"). Interest on this Bond is payable by check or draft mailed to the registered owner hereof at its address as it appears on the registration books maintained by the Bond Registrar without presentation of this Bond (or by wire if requested by any owner of at least \$1,000,000 in principal amount of the Bonds). All interest payments shall be made to the registered owner as it appears on the registration books kept by the Bond Registrar on the fifteenth day of the month preceding each interest payment date.

This Bond has been duly authorized by the City Council and is issued for the purpose of providing funds to pay the costs of various capital improvements for the City. The full faith and credit of the City are irrevocably pledged for the payment of the principal of and premium, if any, and interest on this Bond in accordance with its terms.

This Bond is one of a series of \$_____ General Obligation Capital Improvement Bonds, Series ____ of the City, (the "Bonds") of like date and tenor, except as to number, denomination, rate of interest and maturity, issued under the authority of and in full compliance with the Constitution and statutes of the Commonwealth of Virginia, and, more particularly, issued

pursuant to the Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Code of Virginia of 1950, as amended and an ordinance adopted by the City Council on _____, 2001(the "Ordinance").

Bonds maturing on or before _____, _____ are not subject to redemption before maturity. Bonds at the time outstanding which are stated to mature on or after _____, _____ may be redeemed before their maturities on or after _____, _____, at the option of the City in whole or in part (in installments of \$5,000) at any time or from time to time during the following redemption periods upon payment of the following redemption prices (expressed as a percentage of the principal amount to be redeemed) together with the interest accrued thereon to the date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption Price</u>
_____, _____ through _____, _____	_____%
_____, _____ through _____, _____	_____%
_____, _____ and thereafter	_____%

If less than all of the Bonds are called for redemption, the maturities of the Bonds to be redeemed shall be selected by the Director of Finance of the City in such officer's discretion. If less than all of the Bonds of any maturity are called for redemption, the Bonds or portions thereof to be redeemed within a maturity shall be selected by lot by the Bond Registrar, each portion of \$5,000 principal amount being counted as one Bond for such purpose.

If any of the Bonds or portions thereof are called for redemption, the Bond Registrar shall send notice of the call for redemption identifying the Bonds by serial or CUSIP numbers, and in the case of partial redemption, identifying the principal amount to be redeemed, and identifying the redemption date and price and the place where Bonds are to be surrendered for payment, by first class mail not less than 30 nor more than 60 days before the redemption date to the registered owner of each Bond to be redeemed at such owner's address as it appears on the registration books maintained by the Bond Registrar, but failure to mail such notice shall not affect the validity of the proceedings for redemption. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured by the Ordinance and shall not be deemed to be outstanding. If a portion of this Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion hereof will be issued to the registered owner upon the surrender of this Bond.

The Bonds are issuable as fully registered bonds in denominations of \$5,000 and integral multiples thereof. Any Bond may be exchanged for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations at the principal office of the Bond Registrar.

This Bond may be transferred only by an assignment duly executed by the registered owner hereof or such owner's attorney or legal representative in a form satisfactory to the Bond Registrar. Such transfer shall be made in the registration books kept by the Bond Registrar upon presentation

and surrender hereof and the City shall execute, and the Bond Registrar shall authenticate and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner hereof or such owner's attorney or legal representative. Any such exchange shall be at the expense of the City, except that the Bond Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The City may designate a successor Bond Registrar and/or Paying Agent, provided that written notice specifying the name and location of the principal office of any such successor shall be given to the registered owner of the Bonds. Upon registration of transfer of this Bond, the Bond Registrar shall furnish written notice to the transferee of the name and location of the principal office of the Bond Registrar and/or the Paying Agent.

The Bond Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as the owner on the registration books on the 15th day of the month preceding each interest payment date.

This Bond shall not be valid or obligatory for any purpose unless and until authenticated at the foot hereof by the Bond Registrar.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to the issuance of this Bond have happened, exist or been performed in due time, form and manner as so required and that the indebtedness evidenced by this Bond is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the City Council of the City of Alexandria, Virginia, has caused this Bond to be signed by the facsimile signature of its Mayor, a facsimile of its seal to be affixed and attested by the facsimile signature of its Clerk and this Bond to be dated _____, ____.

CITY OF ALEXANDRIA, VIRGINIA

By _____

Mayor, City of Alexandria, Virginia

[SEAL]

ATTEST:

Clerk, City Council,
City of Alexandria, Virginia

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF ASSIGNEE)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE: _____

the within Bond and does hereby irrevocably constitute and appoint

_____, attorney, to transfer said Bond
on the books kept for registration of said Bond, with full power of substitution in the premises.

Dated _____

Signature Guaranteed:

(NOTICE: Signature(s) must be
guaranteed.)

Registered Owner
(NOTICE: The signature above

must correspond with the name

of the Registered Owner as it

appears on the books kept for

registration of this Bond

in every particular, without

alteration or change.)

CERTIFICATE OF AUTHENTICATION

The undersigned Bond Registrar hereby certifies that this is one of a series of Bonds of the City of Alexandria, Virginia described in the within-mentioned Resolution.

Authentication Date: _____

By: _____

G:\DOCUMENT\DATA\ORD\BOND1.D04

ORDINANCE NO. 4198

AN ORDINANCE authorizing the issuance of General Obligation Capital Improvement Bonds for various Public Improvements in the Estimated maximum amount of \$54,500,000; and providing for reimbursement to the City of Alexandria from bond proceeds.

WHEREAS, the City Council of the City of Alexandria, Virginia ("City") has determined that it is advisable to issue up to \$54,500,000 general obligation bonds of the City to finance the cost, in whole or in part, of various capital improvements as described below; and

WHEREAS, the City Council by Ordinance No. 4139, has previously authorized the issuance and sale of general obligation bonds of the City in the maximum amount of \$75,000,000, and has issued bonds in the amount of \$55,000,000, leaving a balance of \$20,000,000 unissued bonds; now, therefore,

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

1. **Authorization of Bonds and Use of Proceeds**. The City Council hereby determines that it is advisable to contract a debt and to issue and sell general obligation bonds in the aggregate maximum principal amount of \$34,500,000 which may be issued and sold together with the bonds previously authorized but unissued pursuant to Ordinance No. 4139 in an aggregate principal amount of \$54,500,000 (the "Bonds"). The issuance and sale of the Bonds are hereby authorized. The proceeds from the issuance and sale of the Bonds shall be used to pay all or a portion of the costs of the Projects as described below and the Director of Finance is authorized and directed to determine the portion of the cost of each Project to be financed with Bond proceeds.

General Project Description

Estimated Maximum Cost

Schools

Construction, remodeling and repairing of new or existing school buildings and acquisition of necessary equipment (this project includes projects contained in the capital improvement program under "Schools").	\$40,500,000
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City Parks and Buildings

Construction, renovation and improvement of new or existing City buildings and park facilities and acquisition of necessary land and equipment (this project includes projects contained in the capital improvement program under "Recreation and Parks" and "Public Buildings").	\$8,000,000
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Construction, renovation and improvement of City streets, bridges, storm and sanitary sewers and acquisition of the necessary equipment (this project includes projects contained in the capital improvement program under "Streets and Bridges" and "Sewers").	\$6,000,000
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Total: \$54,500,000

2. Pledge of Full Faith and Credit. The full faith and credit of the City are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable. The City Council shall levy an annual ad valorem tax upon all property in the City, subject to local taxation, sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same shall become due for payment unless other funds are lawfully available and appropriated for the timely payment thereof.

3. **Details and Sale of Bonds.** The Bonds shall be issued upon the terms established pursuant to this Ordinance and upon such other terms as may be determined in the manner set forth in this Ordinance. The Bonds shall be issued in one or more series, in fully registered form, shall be dated such date or dates as the City Manager and the Director of Finance, or either of them, may approve, shall be in the denominations of \$5,000 each or whole multiples thereof and shall be numbered from R-1 upwards consecutively. The Bonds shall mature on such dates and in such amounts and shall be issued in such principal amount as the City Manager and the Director of Finance, or either of them, may approve, provided that the final maturity of the Bonds is not more than approximately 20 years from their date and the aggregate principal amount of the Bonds is not more than the maximum amount set forth in paragraph 1 above. The City Manager and the Director of Finance, or either of them, is authorized and directed to accept the bid for the purchase of the Bonds which results in the lowest true interest cost to the City and the Bonds shall bear interest, payable semi-annually, at such rate or rates and shall be sold to the successful bidder at such price as may be set forth in the bid so accepted; provided that the true interest cost of the Bonds shall not exceed 8.5% per annum. The City Manager and the Director of Finance, or either of them, is authorized and directed to approve such optional redemption provisions for the Bonds as such officer or officers determine to be in the best interest of the City. The City Council may provide for additional or other terms of the Bonds by subsequent resolution.

4. **Form of Bonds.** The Bonds shall be in substantially the form attached to this Ordinance as Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance. There may be endorsed on the Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

5. Book-Entry-Only-Form. The Bonds shall be issued in book-entry-only form. The Bonds shall be issued in fully-registered form and registered in the name of Cede & Co., as nominee

of The Depository Trust Company, New York, New York ("DTC") as registered owner of the Bonds, and immobilized in the custody of DTC. Only fully-registered Bond in typewritten or printed form for the principal amount of each maturity of the Bonds shall be registered to Cede & Co. Beneficial owners of the Bonds shall not receive physical delivery of the Bonds. Principal, premium, if any, and interest payments on the Bonds shall be made to DTC or its nominee as registered owner of the Bonds on the applicable payment date.

Transfer of ownership interest in the Bonds shall be made by DTC and its participants (the "Participants"), acting as nominees of the beneficial owners of the Bonds in accordance with rules specified by DTC and its Participants. The City shall notify DTC of any notice required to be given pursuant to this Ordinance or the Bonds not less than fifteen (15) calendar days prior to the date upon which such notice is required to be given. The City shall also comply with the agreements set forth in the City's Letter of Representations to DTC.

Replacement Bonds (the "Replacement Bonds") shall be issued directly to beneficial owners of the Bonds rather than to DTC or its nominee but only in the event that:

- (i) DTC determines not to continue to act as securities depository for the Bonds; or
- (ii) The City has advised DTC of its determination not to use DTC as a securities depository; or
- (iii) The City has determined that it is in the best interest of the beneficial owners of the Bonds or the City not to continue the book-entry system of transfer.

Upon occurrence of the event described in (i) or (ii) above, the City shall attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City Council shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit A to the Ordinance to the Participants. In the event the City Council, in its discretion, makes the determination noted in (iii) above and has made provisions to notify the beneficial owners of the Bonds by mailing an appropriate notice to DTC, the appropriate officers and agents of the City shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit A to this Ordinance to any Participants requesting such Replacement Bonds. Principal of and interest on the Replacement Bonds shall be payable as provided in this Ordinance and in the Bonds and Replacement Bonds will be transferable in accordance with the provisions of paragraphs 9 and 10 of this Ordinance and the Bonds.

6. Appointment of Bond Registrar and Paying Agent. The City Manager and the Director of Finance, or either of them, are authorized and directed to appoint a Bond Registrar and Paying Agent for the Bonds.

The City Council may appoint a subsequent registrar and/or one or more paying agents for the Bonds by subsequent resolution and upon giving written notice to the owners of the Bonds specifying the name and location of the principal office of any such registrar or paying agent.

7. **Execution of Bonds.** The Mayor and the Clerk of the City are authorized and directed to execute appropriate negotiable Bonds and to affix the seal of the City thereto and to deliver the Bonds to the purchaser thereof upon payment of the purchase price. The manner of execution and affixation of the seal may be by facsimile, provided, however, that if the signatures of the Mayor and the Clerk are both by facsimile, the Bonds shall not be valid until signed at the foot thereof by the manual signature of the Bond Registrar.

8. **CUSIP Numbers.** The Bonds shall have CUSIP identification numbers printed thereon. No such number shall constitute a part of the contract evidenced by the Bond on which it is imprinted and no liability shall attach to the City, or any of its officers or agents by reason of such numbers or any use made of such numbers, including any use by the City and any officer or agent of the City, by reason of any inaccuracy, error or omission with respect to such numbers.

9. **Registration, Transfer and Exchange.** Upon surrender for transfer or exchange of any Bond at the principal office of the Bond Registrar, the City shall execute and deliver and the Bond Registrar shall authenticate in the name of the transferee or transferees a new Bond or Bonds of any authorized denomination in an aggregate principal amount equal to the Bond surrendered and of the same form and maturity and bearing interest at the same rate as the Bond surrendered, subject in each case to such reasonable regulations as the City and the Bond Registrar may prescribe. All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the City and the Bond Registrar, duly executed by the registered owner or by his or her duly authorized attorney-in-fact or legal representative. No Bond may be registered to bearer.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the City, evidencing the same debt as the Bonds surrendered, shall be secured by this Ordinance and entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

10. **Charges for Exchange or Transfer.** No charge shall be made for any exchange or transfer of Bonds, but the City may require payment by the registered owner of any Bond of a sum sufficient to cover any tax or other governmental charge which may be imposed with respect to the transfer or exchange of such Bond.

11. **Typewritten or Printed Bonds.** The City may initially issue any or all of the Bonds in typewritten or printed form, as determined by the Director of Finance and the City Manager, or either of them. If any of the Bonds are to be issued in printed form, the City may initially issue such Bonds in temporary, typewritten form and shall promptly prepare, execute and deliver to the registered owners Bonds in printed form of the same maturity and interest rate and for the same aggregate principal amount as the typewritten Bonds. Appropriate variations, omissions and insertions may be made in the Bonds to facilitate printing. The Bonds will also be eligible for deposit with The Depository Trust Company.

12. **Non-Arbitrage Certificate and Tax Covenants.** The City Manager and the Director of Finance, or either of them, and such officers and agents of the City as either of them may designate are authorized and directed to execute a Non-Arbitrage Certificate and Tax Covenants

setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to comply with the provisions of the Internal Revenue Code of 1986, as amended ("Code"), including the provisions of Section 148 of the Code and applicable regulations relating to "arbitrage bonds." The City Council covenants on behalf of the City that the proceeds from the issuance and sale of the Bonds will be invested and expended as set forth in the City's Non-Arbitrage Certificate and Tax Covenants, to be delivered simultaneously with the issuance and delivery of the Bonds and that the City shall comply with the other covenants and representations contained therein.

13. Disclosure Documents. The City Manager and the Director of Finance, or either of them, and such officers and agents of the City as either of them may designate are hereby authorized and directed to prepare, execute, if required, and deliver an appropriate notice of sale, preliminary official statement, official statement, continuing disclosure agreement or such other offering or disclosure documents as may be necessary to expedite the sale of the Bonds. The notice of sale, preliminary official statement, official statement, continuing disclosure agreement or other documents shall be published in such publications and distributed in such manner, including electronically, and at such times as the Director of Finance shall determine. The Director of Finance is authorized and directed to deem the preliminary official statement "final" for purposes of Securities and Exchange Commission Rule 15c2-12.

14. Further Actions; Public Hearing. The City Manager and the Director of Finance and such officers and agents of the City as either of them may designate are authorized and directed to take such further action as they deem necessary regarding the issuance and sale of the Bonds and all actions taken by such officers and agents in connection with the issuance and sale of the Bonds are ratified and confirmed.

The Clerk of the City is authorized and directed to advertise a public hearing to be held by the City Council in accordance with Section 15.2-2606 of the Code of Virginia of 1950, as amended before the issuance of the Bonds.

15. Reimbursement. The City Council adopts this declaration of official intent under Treasury Regulations Section 1.150-2. The City Council reasonably expects to reimburse advances made or to be made by the City to pay the costs of the Projects from the proceeds of its debt. The maximum amount of debt expected to be issued for the Projects is set forth in paragraph 1 above. The City hereby authorizes the Director of Finance, on behalf of the City, to specifically declare the City's official intent to reimburse portions of the cost of the Projects with Bond proceeds.

16. Effective Date; Applicable Law. In accordance with Section 15.2-2601 of the Code of Virginia of 1950, as amended, the City Council elects to issue the Bonds pursuant to the provisions of the Public Finance Act of 1991. This Ordinance shall take effect upon the date and at the time of its final passage.

KERRY J. DONLEY
Mayor

Final Passage: May 12, 2001

Exhibit A - FORM OF BOND

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

No. R-

CITY OF ALEXANDRIA

GENERAL OBLIGATION CAPITAL IMPROVEMENT BOND, SERIES ____

MATURITY DATE

INTEREST RATE

CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT:

CITY OF ALEXANDRIA, VIRGINIA (the "City"), for value received, acknowledges itself indebted and promises to pay to the registered owner of this Bond or legal representative, the principal amount stated above on the maturity date set forth above and to pay interest on the principal amount of this Bond at the rate specified above per annum, payable semiannually on _____ 1 and _____ 1, beginning on _____ 1, _____. This Bond shall bear interest (a) from _____, _____, if this Bond is authenticated before _____ 1, _____ or (b) otherwise from the _____ 1 or _____ 1 that is, or immediately precedes, the date on which this Bond is authenticated; provided that, if at the time of authentication of this Bond, interest on this Bond is in default, this Bond shall bear interest from the date to which interest has been paid. Both principal of and interest on this Bond are payable in lawful money of the United States of America. The principal of this Bond is payable upon presentation and surrender hereof at the office of _____, as Bond Registrar and Paying Agent ("Bond Registrar"). Interest on this Bond is payable by check or draft mailed to the registered owner hereof at its address as it appears on the registration books maintained by the Bond Registrar without presentation of this Bond (or by wire if requested by any owner of at least \$1,000,000 in principal amount of the Bonds). All interest payments shall be made to the registered owner as it appears on the registration books kept by the Bond Registrar on the fifteenth day of the month preceding each interest payment date.

This Bond has been duly authorized by the City Council and is issued for the purpose of providing funds to pay the costs of various capital improvements for the City. The full faith and credit of the City are irrevocably pledged for the payment of the principal of and premium, if any, and interest on this Bond in accordance with its terms.

This Bond is one of a series of \$_____ General Obligation Capital Improvement Bonds, Series _____ of the City, (the "Bonds") of like date and tenor, except as to number, denomination, rate of interest and maturity, issued under the authority of and in full compliance with the Constitution and statutes of the Commonwealth of Virginia, and, more particularly, issued

pursuant to the Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Code of Virginia of 1950, as amended and an ordinance adopted by the City Council on _____, 2001(the "Ordinance").

Bonds maturing on or before _____, _____ are not subject to redemption before maturity. Bonds at the time outstanding which are stated to mature on or after _____, _____ may be redeemed before their maturities on or after _____, _____, at the option of the City in whole or in part (in installments of \$5,000) at any time or from time to time during the following redemption periods upon payment of the following redemption prices (expressed as a percentage of the principal amount to be redeemed) together with the interest accrued thereon to the date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption Price</u>
_____, _____ through _____, _____	_____ %
_____, _____ through _____, _____	_____ %
_____, _____ and thereafter	_____ %

If less than all of the Bonds are called for redemption, the maturities of the Bonds to be redeemed shall be selected by the Director of Finance of the City in such officer's discretion. If less than all of the Bonds of any maturity are called for redemption, the Bonds or portions thereof to be redeemed within a maturity shall be selected by lot by the Bond Registrar, each portion of \$5,000 principal amount being counted as one Bond for such purpose.

If any of the Bonds or portions thereof are called for redemption, the Bond Registrar shall send notice of the call for redemption identifying the Bonds by serial or CUSIP numbers, and in the case of partial redemption, identifying the principal amount to be redeemed, and identifying the redemption date and price and the place where Bonds are to be surrendered for payment, by first class mail not less than 30 nor more than 60 days before the redemption date to the registered owner of each Bond to be redeemed at such owner's address as it appears on the registration books maintained by the Bond Registrar, but failure to mail such notice shall not affect the validity of the proceedings for redemption. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured by the Ordinance and shall not be deemed to be outstanding. If a portion of this Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion hereof will be issued to the registered owner upon the surrender of this Bond.

The Bonds are issuable as fully registered bonds in denominations of \$5,000 and integral multiples thereof. Any Bond may be exchanged for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations at the principal office of the Bond Registrar.

This Bond may be transferred only by an assignment duly executed by the registered owner hereof or such owner's attorney or legal representative in a form satisfactory to the Bond Registrar. Such transfer shall be made in the registration books kept by the Bond Registrar upon presentation

and surrender hereof and the City shall execute, and the Bond Registrar shall authenticate and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner hereof or such owner's attorney or legal representative. Any such exchange shall be at the expense of the City, except that the Bond Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The City may designate a successor Bond Registrar and/or Paying Agent, provided that written notice specifying the name and location of the principal office of any such successor shall be given to the registered owner of the Bonds. Upon registration of transfer of this Bond, the Bond Registrar shall furnish written notice to the transferee of the name and location of the principal office of the Bond Registrar and/or the Paying Agent.

The Bond Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as the owner on the registration books on the 15th day of the month preceding each interest payment date.

This Bond shall not be valid or obligatory for any purpose unless and until authenticated at the foot hereof by the Bond Registrar.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to the issuance of this Bond have happened, exist or been performed in due time, form and manner as so required and that the indebtedness evidenced by this Bond is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the City Council of the City of Alexandria, Virginia, has caused this Bond to be signed by the facsimile signature of its Mayor, a facsimile of its seal to be affixed and attested by the facsimile signature of its Clerk and this Bond to be dated _____, ____.

CITY OF ALEXANDRIA, VIRGINIA

By _____

Mayor, City of Alexandria, Virginia

[SEAL]

ATTEST:

Clerk, City Council,
City of Alexandria, Virginia

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF ASSIGNEE)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE: _____

the within Bond and does hereby irrevocably constitute and appoint

_____, attorney, to transfer said Bond
on the books kept for registration of said Bond, with full power of substitution in the premises.

Dated _____

Signature Guaranteed:

(NOTICE: Signature(s) must be
guaranteed.)

Registered Owner

(NOTICE: The signature above

must correspond with the name

of the Registered Owner as it

appears on the books kept for

registration of this Bond

in every particular, without

alteration or change.)

CERTIFICATE OF AUTHENTICATION

The undersigned Bond Registrar hereby certifies that this is one of a series of Bonds of the City of Alexandria, Virginia described in the within-mentioned Resolution.

Authentication Date: _____

By: _____

G:\DOCUMENT\DATA\OBK\4198

010010674

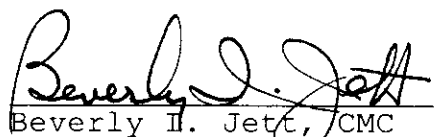
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#19 5/12/01

CERTIFICATION

I, Beverly I. Jett, CMC, City Clerk and Clerk of Council, do hereby certify that the attached is a true copy of Ordinance No. 4198 which was passed by the Alexandria City Council at its Public Hearing Meeting held on May 12, 2001.

Dated this 15th day of May 2001.



Beverly I. Jett, CMC City Clerk
City of Alexandria, Virginia

ORDINANCE NO. 4198

AN ORDINANCE authorizing the issuance of General Obligation Capital Improvement Bonds for various Public Improvements in the Estimated maximum amount of \$54,500,000; and providing for reimbursement to the City of Alexandria from bond proceeds.

WHEREAS, the City Council of the City of Alexandria, Virginia ("City") has determined that it is advisable to issue up to \$54,500,000 general obligation bonds of the City to finance the cost, in whole or in part, of various capital improvements as described below; and

WHEREAS, the City Council by Ordinance No. 4139, has previously authorized the issuance and sale of general obligation bonds of the City in the maximum amount of \$75,000,000, and has issued bonds in the amount of \$55,000,000, leaving a balance of \$20,000,000 unissued bonds; now, therefore,

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

1. Authorization of Bonds and Use of Proceeds. The City Council hereby determines that it is advisable to contract a debt and to issue and sell general obligation bonds in the aggregate maximum principal amount of \$34,500,000 which may be issued and sold together with the bonds previously authorized but unissued pursuant to Ordinance No. 4139 in an aggregate principal amount of \$54,500,000 (the "Bonds"). The issuance and sale of the Bonds are hereby authorized. The proceeds from the issuance and sale of the Bonds shall be used to pay all or a portion of the costs of the Projects as described below and the Director of Finance is authorized and directed to determine the portion of the cost of each Project to be financed with Bond proceeds.

General Project Description

Estimated Maximum Cost

Schools

Construction, remodeling and repairing of new or existing school buildings and acquisition of necessary equipment (this project includes projects contained in the capital improvement program under "Schools").	\$40,500,000
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City Parks and Buildings

Construction, renovation and improvement of new or existing City buildings and park facilities and acquisition of necessary land and equipment (this project includes projects contained in the capital improvement program under "Recreation and Parks" and "Public Buildings").	\$8,000,000
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Infrastructure

Construction, renovation and improvement of City streets, bridges, storm and sanitary sewers and acquisition of the necessary equipment (this project includes projects contained in the capital improvement program under "Streets and Bridges" and "Sewers").	\$6,000,000
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Total: \$54,500,000

2. Pledge of Full Faith and Credit. The full faith and credit of the City are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable. The City Council shall levy an annual ad valorem tax upon all property in the City, subject to local taxation, sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same shall become due for payment unless other funds are lawfully available and appropriated for the timely payment thereof.

3. Details and Sale of Bonds. The Bonds shall be issued upon the terms established pursuant to this Ordinance and upon such other terms as may be determined in the manner set forth in this Ordinance. The Bonds shall be issued in one or more series, in fully registered form, shall be dated such date or dates as the City Manager and the Director of Finance, or either of them, may approve, shall be in the denominations of \$5,000 each or whole multiples thereof and shall be numbered from R-1 upwards consecutively. The Bonds shall mature on such dates and in such amounts and shall be issued in such principal amount as the City Manager and the Director of Finance, or either of them, may approve, provided that the final maturity of the Bonds is not more than approximately 20 years from their date and the aggregate principal amount of the Bonds is not more than the maximum amount set forth in paragraph 1 above. The City Manager and the Director of Finance, or either of them, is authorized and directed to accept the bid for the purchase of the Bonds which results in the lowest true interest cost to the City and the Bonds shall bear interest, payable semi-annually, at such rate or rates and shall be sold to the successful bidder at such price as may be set forth in the bid so accepted; provided that the true interest cost of the Bonds shall not exceed 8.5% per annum. The City Manager and the Director of Finance, or either of them, is authorized and directed to approve such optional redemption provisions for the Bonds as such officer or officers determine to be in the best interest of the City. The City Council may provide for additional or other terms of the Bonds by subsequent resolution.

4. **Form of Bonds.** The Bonds shall be in substantially the form attached to this Ordinance as Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance. There may be endorsed on the Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

5. Book-Entry-Only-Form. The Bonds shall be issued in book-entry-only form. The Bonds shall be issued in fully-registered form and registered in the name of Cede & Co., as nominee

of The Depository Trust Company, New York, New York ("DTC") as registered owner of the Bonds, and immobilized in the custody of DTC. Only fully-registered Bond in typewritten or printed form for the principal amount of each maturity of the Bonds shall be registered to Cede & Co. Beneficial owners of the Bonds shall not receive physical delivery of the Bonds. Principal, premium, if any, and interest payments on the Bonds shall be made to DTC or its nominee as registered owner of the Bonds on the applicable payment date.

Transfer of ownership interest in the Bonds shall be made by DTC and its participants (the "Participants"), acting as nominees of the beneficial owners of the Bonds in accordance with rules specified by DTC and its Participants. The City shall notify DTC of any notice required to be given pursuant to this Ordinance or the Bonds not less than fifteen (15) calendar days prior to the date upon which such notice is required to be given. The City shall also comply with the agreements set forth in the City's Letter of Representations to DTC.

Replacement Bonds (the "Replacement Bonds") shall be issued directly to beneficial owners of the Bonds rather than to DTC or its nominee but only in the event that:

- (i) DTC determines not to continue to act as securities depository for the Bonds; or
- (ii) The City has advised DTC of its determination not to use DTC as a securities depository; or
- (iii) The City has determined that it is in the best interest of the beneficial owners of the Bonds or the City not to continue the book-entry system of transfer.

Upon occurrence of the event described in (i) or (ii) above, the City shall attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City Council shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit A to the Ordinance to the Participants. In the event the City Council, in its discretion, makes the determination noted in (iii) above and has made provisions to notify the beneficial owners of the Bonds by mailing an appropriate notice to DTC, the appropriate officers and agents of the City shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit A to this Ordinance to any Participants requesting such Replacement Bonds. Principal of and interest on the Replacement Bonds shall be payable as provided in this Ordinance and in the Bonds and Replacement Bonds will be transferable in accordance with the provisions of paragraphs 9 and 10 of this Ordinance and the Bonds.

6. Appointment of Bond Registrar and Paying Agent. The City Manager and the Director of Finance, or either of them, are authorized and directed to appoint a Bond Registrar and Paying Agent for the Bonds.

The City Council may appoint a subsequent registrar and/or one or more paying agents for the Bonds by subsequent resolution and upon giving written notice to the owners of the Bonds specifying the name and location of the principal office of any such registrar or paying agent.

7. **Execution of Bonds.** The Mayor and the Clerk of the City are authorized and directed to execute appropriate negotiable Bonds and to affix the seal of the City thereto and to deliver the Bonds to the purchaser thereof upon payment of the purchase price. The manner of execution and affixation of the seal may be by facsimile, provided, however, that if the signatures of the Mayor and the Clerk are both by facsimile, the Bonds shall not be valid until signed at the foot thereof by the manual signature of the Bond Registrar.

8. **CUSIP Numbers.** The Bonds shall have CUSIP identification numbers printed thereon. No such number shall constitute a part of the contract evidenced by the Bond on which it is imprinted and no liability shall attach to the City, or any of its officers or agents by reason of such numbers or any use made of such numbers, including any use by the City and any officer or agent of the City, by reason of any inaccuracy, error or omission with respect to such numbers.

9. **Registration, Transfer and Exchange.** Upon surrender for transfer or exchange of any Bond at the principal office of the Bond Registrar, the City shall execute and deliver and the Bond Registrar shall authenticate in the name of the transferee or transferees a new Bond or Bonds of any authorized denomination in an aggregate principal amount equal to the Bond surrendered and of the same form and maturity and bearing interest at the same rate as the Bond surrendered, subject in each case to such reasonable regulations as the City and the Bond Registrar may prescribe. All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the City and the Bond Registrar, duly executed by the registered owner or by his or her duly authorized attorney-in-fact or legal representative. No Bond may be registered to bearer.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the City, evidencing the same debt as the Bonds surrendered, shall be secured by this Ordinance and entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

10. **Charges for Exchange or Transfer.** No charge shall be made for any exchange or transfer of Bonds, but the City may require payment by the registered owner of any Bond of a sum sufficient to cover any tax or other governmental charge which may be imposed with respect to the transfer or exchange of such Bond.

11. **Typewritten or Printed Bonds.** The City may initially issue any or all of the Bonds in typewritten or printed form, as determined by the Director of Finance and the City Manager, or either of them. If any of the Bonds are to be issued in printed form, the City may initially issue such Bonds in temporary, typewritten form and shall promptly prepare, execute and deliver to the registered owners Bonds in printed form of the same maturity and interest rate and for the same aggregate principal amount as the typewritten Bonds. Appropriate variations, omissions and insertions may be made in the Bonds to facilitate printing. The Bonds will also be eligible for deposit with The Depository Trust Company.

12. **Non-Arbitrage Certificate and Tax Covenants.** The City Manager and the Director of Finance, or either of them, and such officers and agents of the City as either of them may designate are authorized and directed to execute a Non-Arbitrage Certificate and Tax Covenants

setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to comply with the provisions of the Internal Revenue Code of 1986, as amended ("Code"), including the provisions of Section 148 of the Code and applicable regulations relating to "arbitrage bonds." The City Council covenants on behalf of the City that the proceeds from the issuance and sale of the Bonds will be invested and expended as set forth in the City's Non-Arbitrage Certificate and Tax Covenants, to be delivered simultaneously with the issuance and delivery of the Bonds and that the City shall comply with the other covenants and representations contained therein.

13. Disclosure Documents. The City Manager and the Director of Finance, or either of them, and such officers and agents of the City as either of them may designate are hereby authorized and directed to prepare, execute, if required, and deliver an appropriate notice of sale, preliminary official statement, official statement, continuing disclosure agreement or such other offering or disclosure documents as may be necessary to expedite the sale of the Bonds. The notice of sale, preliminary official statement, official statement, continuing disclosure agreement or other documents shall be published in such publications and distributed in such manner, including electronically, and at such times as the Director of Finance shall determine. The Director of Finance is authorized and directed to deem the preliminary official statement "final" for purposes of Securities and Exchange Commission Rule 15c2-12.

14. Further Actions; Public Hearing. The City Manager and the Director of Finance and such officers and agents of the City as either of them may designate are authorized and directed to take such further action as they deem necessary regarding the issuance and sale of the Bonds and all actions taken by such officers and agents in connection with the issuance and sale of the Bonds are ratified and confirmed.

The Clerk of the City is authorized and directed to advertise a public hearing to be held by the City Council in accordance with Section 15.2-2606 of the Code of Virginia of 1950, as amended before the issuance of the Bonds.

15. Reimbursement. The City Council adopts this declaration of official intent under Treasury Regulations Section 1.150-2. The City Council reasonably expects to reimburse advances made or to be made by the City to pay the costs of the Projects from the proceeds of its debt. The maximum amount of debt expected to be issued for the Projects is set forth in paragraph 1 above. The City hereby authorizes the Director of Finance, on behalf of the City, to specifically declare the City's official intent to reimburse portions of the cost of the Projects with Bond proceeds.

16. **Effective Date; Applicable Law.** In accordance with Section 15.2-2601 of the Code of Virginia of 1950, as amended, the City Council elects to issue the Bonds pursuant to the provisions of the Public Finance Act of 1991. This Ordinance shall take effect upon the date and at the time of its final passage.

KERRY J. DONLEY
Mayor

Final Passage: May 12, 2001

Exhibit A - FORM OF BOND**UNITED STATES OF AMERICA****COMMONWEALTH OF VIRGINIA****No. R-****CITY OF ALEXANDRIA****GENERAL OBLIGATION CAPITAL IMPROVEMENT BOND, SERIES ____****MATURITY DATE****INTEREST RATE****CUSIP****REGISTERED OWNER:****PRINCIPAL AMOUNT:**

CITY OF ALEXANDRIA, VIRGINIA (the "City"), for value received, acknowledges itself indebted and promises to pay to the registered owner of this Bond or legal representative, the principal amount stated above on the maturity date set forth above and to pay interest on the principal amount of this Bond at the rate specified above per annum, payable semiannually on _____ 1 and _____ 1, beginning on _____ 1, _____. This Bond shall bear interest (a) from _____, ____, if this Bond is authenticated before _____ 1, ____ or (b) otherwise from the _____ 1 or _____ 1 that is, or immediately precedes, the date on which this Bond is authenticated; provided that, if at the time of authentication of this Bond, interest on this Bond is in default, this Bond shall bear interest from the date to which interest has been paid. Both principal of and interest on this Bond are payable in lawful money of the United States of America. The principal of this Bond is payable upon presentation and surrender hereof at the office of _____, as Bond Registrar and Paying Agent ("Bond Registrar"). Interest on this Bond is payable by check or draft mailed to the registered owner hereof at its address as it appears on the registration books maintained by the Bond Registrar without presentation of this Bond (or by wire if requested by any owner of at least \$1,000,000 in principal amount of the Bonds). All interest payments shall be made to the registered owner as it appears on the registration books kept by the Bond Registrar on the fifteenth day of the month preceding each interest payment date.

This Bond has been duly authorized by the City Council and is issued for the purpose of providing funds to pay the costs of various capital improvements for the City. The full faith and credit of the City are irrevocably pledged for the payment of the principal of and premium, if any, and interest on this Bond in accordance with its terms.

This Bond is one of a series of \$_____ General Obligation Capital Improvement Bonds, Series ____ of the City, (the "Bonds") of like date and tenor, except as to number, denomination, rate of interest and maturity, issued under the authority of and in full compliance with the Constitution and statutes of the Commonwealth of Virginia, and, more particularly, issued

pursuant to the Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Code of Virginia of 1950, as amended and an ordinance adopted by the City Council on _____, 2001(the "Ordinance").

Bonds maturing on or before _____, _____ are not subject to redemption before maturity. Bonds at the time outstanding which are stated to mature on or after _____, _____ may be redeemed before their maturities on or after _____, _____, at the option of the City in whole or in part (in installments of \$5,000) at any time or from time to time during the following redemption periods upon payment of the following redemption prices (expressed as a percentage of the principal amount to be redeemed) together with the interest accrued thereon to the date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption Price</u>
_____, _____ through _____, _____	_____%
_____, _____ through _____, _____	_____%
_____, _____ and thereafter	_____%

If less than all of the Bonds are called for redemption, the maturities of the Bonds to be redeemed shall be selected by the Director of Finance of the City in such officer's discretion. If less than all of the Bonds of any maturity are called for redemption, the Bonds or portions thereof to be redeemed within a maturity shall be selected by lot by the Bond Registrar, each portion of \$5,000 principal amount being counted as one Bond for such purpose.

If any of the Bonds or portions thereof are called for redemption, the Bond Registrar shall send notice of the call for redemption identifying the Bonds by serial or CUSIP numbers, and in the case of partial redemption, identifying the principal amount to be redeemed, and identifying the redemption date and price and the place where Bonds are to be surrendered for payment, by first class mail not less than 30 nor more than 60 days before the redemption date to the registered owner of each Bond to be redeemed at such owner's address as it appears on the registration books maintained by the Bond Registrar, but failure to mail such notice shall not affect the validity of the proceedings for redemption. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured by the Ordinance and shall not be deemed to be outstanding. If a portion of this Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion hereof will be issued to the registered owner upon the surrender of this Bond.

The Bonds are issuable as fully registered bonds in denominations of \$5,000 and integral multiples thereof. Any Bond may be exchanged for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations at the principal office of the Bond Registrar.

This Bond may be transferred only by an assignment duly executed by the registered owner hereof or such owner's attorney or legal representative in a form satisfactory to the Bond Registrar. Such transfer shall be made in the registration books kept by the Bond Registrar upon presentation

and surrender hereof and the City shall execute, and the Bond Registrar shall authenticate and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner hereof or such owner's attorney or legal representative. Any such exchange shall be at the expense of the City, except that the Bond Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The City may designate a successor Bond Registrar and/or Paying Agent, provided that written notice specifying the name and location of the principal office of any such successor shall be given to the registered owner of the Bonds. Upon registration of transfer of this Bond, the Bond Registrar shall furnish written notice to the transferee of the name and location of the principal office of the Bond Registrar and/or the Paying Agent.

The Bond Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as the owner on the registration books on the 15th day of the month preceding each interest payment date.

This Bond shall not be valid or obligatory for any purpose unless and until authenticated at the foot hereof by the Bond Registrar.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to the issuance of this Bond have happened, exist or been performed in due time, form and manner as so required and that the indebtedness evidenced by this Bond is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the City Council of the City of Alexandria, Virginia, has caused this Bond to be signed by the facsimile signature of its Mayor, a facsimile of its seal to be affixed and attested by the facsimile signature of its Clerk and this Bond to be dated _____, ____.

CITY OF ALEXANDRIA, VIRGINIA

By _____

Mayor, City of Alexandria, Virginia

[SEAL]

ATTEST:

Clerk, City Council,
City of Alexandria, Virginia

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF ASSIGNEE)

PLEASE INSERT SOCIAL SECURITY OR OTHER
 IDENTIFYING NUMBER OF ASSIGNEE: _____

the within Bond and does hereby irrevocably constitute and appoint

_____, attorney, to transfer said Bond
 on the books kept for registration of said Bond, with full power of substitution in the premises.

Dated _____

Signature Guaranteed:

(NOTICE: Signature(s) must be
 guaranteed.)

 Registered Owner

(NOTICE: The signature above

must correspond with the name

of the Registered Owner as it

appears on the books kept for

registration of this Bond

in every particular, without

alteration or change.)

CERTIFICATE OF AUTHENTICATION

The undersigned Bond Registrar hereby certifies that this is one of a series of Bonds of the City of Alexandria, Virginia described in the within-mentioned Resolution.

Authentication Date: _____

By: _____

G:\DOCUMENT\DATA\OBK\4198

INSTRUMENT #010010674
RECORDED IN THE CLERK'S OFFICE OF
ALEXANDRIA ON
MAY 16, 2001 AT 09:41AM
EDWARD SEMONIAN, CLERK

BY:  _____ (DC)

COMMONWEALTH OF VIRGINIA

OFFICIAL RECEIPT
ALEXANDRIA CIRCUIT COURT
DEED RECEIPT

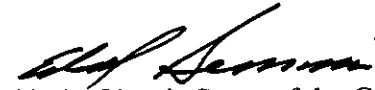
DATE: 05/16/01 TIME: 09:41:21 ACCOUNT: 510CLR010010674 RECEIPT: 01000019896
CASHIER: JLS REG: A025 TYPE: ORDV PAYMENT: FULL PAYMENT
INSTRUMENT : 010010674 BOOK: PAGE: RECORDED: 05/16/01 AT 09:41
GRANTOR: X EX: N LOC: CI
GRANTEE: X EX: N PCT: 100%
AND ADDRESS : X
RECEIVED OF :
CHECK : \$22.00
DESCRIPTION 1:
2:
CONSIDERATION: .00 ASSUME/VAL: .00
CODE DESCRIPTION PAID CODE DESCRIPTION PAID
301 DEEDS 21.00 145 VSLF 1.00
TENDERED : 22.00
AMOUNT PAID: 22.00
CHANGE AMT : .00

CLERK OF COURT: EDWARD SEMONIAN

**CERTIFICATE OF THE CLERK OF THE CIRCUIT COURT
OF THE CITY OF ALEXANDRIA, VIRGINIA WITH RESPECT TO
GENERAL OBLIGATION BOND ORDINANCE**

The undersigned certifies that there has been filed with the Circuit Court of the City of Alexandria, Virginia, as required by Section 15.2-2607 of the Code of Virginia of 1950, as amended, a certified copy of an Ordinance authorizing the issuance of \$54,500,000 City of Alexandria, Virginia, General Obligation Capital Improvement Bonds adopted May 12, 2001.

Dated: May 16, 2001


Clerk, Circuit Court of the City of Alexandria,
Virginia

WFIM27351.1

19
5-12-01

16
~~4-10-01~~

- CITY SEAL -

Public Hearing will be held by the City Council of the City of Alexandria, Virginia, in the Council Chamber, City Hall, City of Alexandria, Virginia, on Saturday, May 12, 2001, at 9:30 a.m., or as soon thereafter as may be heard on the hereinafter described ordinance.

TITLE OF ORDINANCE

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS FOR VARIOUS PUBLIC IMPROVEMENTS IN THE ESTIMATED MAXIMUM AMOUNT OF \$54,500,000; AND PROVIDING FOR REIMBURSEMENT TO THE CITY OF ALEXANDRIA FROM BOND PROCEEDS.

The proposed ordinance authorizes the issuance by the city of up to \$54.5 million in general obligation bonds to finance the cost of various capital improvements to be undertaken in the city.

* * * * *

THE PUBLIC IS ADVISED THAT AMENDMENTS OR ADDITIONS MAY BE MADE TO PROPOSED ORDINANCES WITHOUT FURTHER PUBLICATION. IT IS RECOMMENDED THAT PERSONS INTERESTED IN THIS ORDINANCE OBTAIN A FREE FULL-TEXT COPY FROM THE CITY CLERK AT CITY HALL. BEVERLY I. JETT, CMC, CITY CLERK

To be published in the:

- ✓ Alexandria Gazette Packet on Thursday, April 12, 2001
- ✓ Alexandria Journal on Thursday, April 12, 2001

NOTE: PLEASE PROVIDE US WITH 4 CERTIFIED AFFIDAVITS OF PUBLICATION FOR THE ABOVE AD.

19
5-12-01

~~16~~
~~4-10-01~~

NOTICE OF PUBLIC HEARING ON PROPOSED BOND FINANCING
BY THE CITY OF ALEXANDRIA, VIRGINIA

Notice is hereby given that the City Council of the City of Alexandria, Virginia (the "City") will hold a public hearing in accordance with Section 15.2-2606 of the Code of Virginia of 1950, as amended, on the issuance of general obligation capital improvement bonds of the City in the estimated maximum amount of \$54,500,000 to finance, in whole or in part, various capital improvements, including public school facilities, City parks and buildings, streets, bridges, and storm and sanitary sewers for the City.

The public hearing, which may be continued or adjourned, will be held at 9:30 a.m., or as soon thereafter as the matter may be heard by the City Council, on Saturday, May 12, 2001, before the City Council in the Council Chamber, City Hall, 301 King Street, in Alexandria, Virginia.

* * * * *

To be published in the:

✓ Alexandria Gazette Packet on Thursday, April 19, 2001, AND
on Thursday, April 26, 2001.

NOTE: Please provide us with 4 Certified Affidavits of Publication for the above ad.

19
5-12-01

~~16~~
~~4-10-01~~

NOTICE OF PUBLIC HEARING ON PROPOSED BOND FINANCING
BY THE CITY OF ALEXANDRIA, VIRGINIA

Notice is hereby given that the City Council of the City of Alexandria, Virginia (the "City") will hold a public hearing in accordance with Section 15.2-2606 of the Code of Virginia of 1950, as amended, on the issuance of general obligation capital improvement bonds of the City in the estimated maximum amount of \$54,500,000 to finance, in whole or in part, various capital improvements, including public school facilities, City parks and buildings, streets, bridges, and storm and sanitary sewers for the City.

The public hearing, which may be continued or adjourned, will be held at 9:30 a.m., or as soon thereafter as the matter may be heard by the City Council, on Saturday, May 12, 2001, before the City Council in the Council Chamber, City Hall, 301 King Street, in Alexandria, Virginia.

* * * * *

To be published in the:

Alexandria Journal on Thursday, April 19, 2001, AND
on Thursday, April 26, 2001.

NOTE: Please provide us with 4 Certified Affidavits of Publication for the above ad.

#19 5/12/01

**CERTIFICATE OF THE CLERK OF THE CIRCUIT COURT
OF THE CITY OF ALEXANDRIA, VIRGINIA WITH RESPECT TO
GENERAL OBLIGATION BOND ORDINANCE**

The undersigned certifies that there has been filed with the Circuit Court of the City of Alexandria, Virginia, as required by Section 15.2-2607 of the Code of Virginia of 1950, as amended, a certified copy of an Ordinance authorizing the issuance of \$54,500,000 City of Alexandria, Virginia, General Obligation Capital Improvement Bonds adopted May 12, 2001.

Dated: May 16, 2001



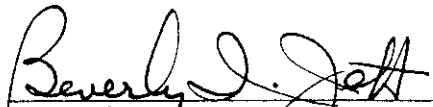
Clerk, Circuit Court of the City of Alexandria,
Virginia

#19 5/12/01

CERTIFICATION

I, Beverly I. Jett, CMC, City Clerk and Clerk of Council, do hereby certify that the attached is a true copy of Ordinance No. 4198 which was passed by the Alexandria City Council at its Public Hearing Meeting held on May 12, 2001.

Dated this 15th day of May 2001.



Beverly I. Jett, CMC City Clerk
City of Alexandria, Virginia

ORDINANCE NO. 4198

AN ORDINANCE authorizing the issuance of General Obligation Capital Improvement Bonds for various Public Improvements in the Estimated maximum amount of \$54,500,000; and providing for reimbursement to the City of Alexandria from bond proceeds.

WHEREAS, the City Council of the City of Alexandria, Virginia ("City") has determined that it is advisable to issue up to \$54,500,000 general obligation bonds of the City to finance the cost, in whole or in part, of various capital improvements as described below; and

WHEREAS, the City Council by Ordinance No. 4139, has previously authorized the issuance and sale of general obligation bonds of the City in the maximum amount of \$75,000,000, and has issued bonds in the amount of \$55,000,000, leaving a balance of \$20,000,000 unissued bonds; now, therefore,

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

1. **Authorization of Bonds and Use of Proceeds.** The City Council hereby determines that it is advisable to contract a debt and to issue and sell general obligation bonds in the aggregate maximum principal amount of \$34,500,000 which may be issued and sold together with the bonds previously authorized but unissued pursuant to Ordinance No. 4139 in an aggregate principal amount of \$54,500,000 (the "Bonds"). The issuance and sale of the Bonds are hereby authorized. The proceeds from the issuance and sale of the Bonds shall be used to pay all or a portion of the costs of the Projects as described below and the Director of Finance is authorized and directed to determine the portion of the cost of each Project to be financed with Bond proceeds.

General Project Description

Estimated Maximum Cost

Schools

Construction, remodeling and repairing of new or existing school buildings and acquisition of necessary equipment (this project includes projects contained in the capital improvement program under "Schools").	\$40,500,000
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City Parks and Buildings

Construction, renovation and improvement of new or existing City buildings and park facilities and acquisition of necessary land and equipment (this project includes projects contained in the capital improvement program under "Recreation and Parks" and "Public Buildings").	\$8,000,000
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Infrastructure

Construction, renovation and improvement of \$6,000,000
 City streets, bridges, storm and sanitary sewers
 and acquisition of the necessary equipment
 (this project includes projects contained in the
 capital improvement program under "Streets
 and Bridges" and "Sewers").

Total: \$54,500,000

2. **Pledge of Full Faith and Credit.** The full faith and credit of the City are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable. The City Council shall levy an annual ad valorem tax upon all property in the City, subject to local taxation, sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same shall become due for payment unless other funds are lawfully available and appropriated for the timely payment thereof.

3. **Details and Sale of Bonds.** The Bonds shall be issued upon the terms established pursuant to this Ordinance and upon such other terms as may be determined in the manner set forth in this Ordinance. The Bonds shall be issued in one or more series, in fully registered form, shall be dated such date or dates as the City Manager and the Director of Finance, or either of them, may approve, shall be in the denominations of \$5,000 each or whole multiples thereof and shall be numbered from R-1 upwards consecutively. The Bonds shall mature on such dates and in such amounts and shall be issued in such principal amount as the City Manager and the Director of Finance, or either of them, may approve, provided that the final maturity of the Bonds is not more than approximately 20 years from their date and the aggregate principal amount of the Bonds is not more than the maximum amount set forth in paragraph 1 above. The City Manager and the Director of Finance, or either of them, is authorized and directed to accept the bid for the purchase of the Bonds which results in the lowest true interest cost to the City and the Bonds shall bear interest, payable semi-annually, at such rate or rates and shall be sold to the successful bidder at such price as may be set forth in the bid so accepted; provided that the true interest cost of the Bonds shall not exceed 8.5% per annum. The City Manager and the Director of Finance, or either of them, is authorized and directed to approve such optional redemption provisions for the Bonds as such officer or officers determine to be in the best interest of the City. The City Council may provide for additional or other terms of the Bonds by subsequent resolution.

4. **Form of Bonds.** The Bonds shall be in substantially the form attached to this Ordinance as Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance. There may be endorsed on the Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

5. **Book-Entry-Only-Form.** The Bonds shall be issued in book-entry-only form. The Bonds shall be issued in fully-registered form and registered in the name of Cede & Co., as nominee

of The Depository Trust Company, New York, New York ("DTC") as registered owner of the Bonds, and immobilized in the custody of DTC. Only fully-registered Bond in typewritten or printed form for the principal amount of each maturity of the Bonds shall be registered to Cede & Co. Beneficial owners of the Bonds shall not receive physical delivery of the Bonds. Principal, premium, if any, and interest payments on the Bonds shall be made to DTC or its nominee as registered owner of the Bonds on the applicable payment date.

Transfer of ownership interest in the Bonds shall be made by DTC and its participants (the "Participants"), acting as nominees of the beneficial owners of the Bonds in accordance with rules specified by DTC and its Participants. The City shall notify DTC of any notice required to be given pursuant to this Ordinance or the Bonds not less than fifteen (15) calendar days prior to the date upon which such notice is required to be given. The City shall also comply with the agreements set forth in the City's Letter of Representations to DTC.

Replacement Bonds (the "Replacement Bonds") shall be issued directly to beneficial owners of the Bonds rather than to DTC or its nominee but only in the event that:

- (i) DTC determines not to continue to act as securities depository for the Bonds; or
- (ii) The City has advised DTC of its determination not to use DTC as a securities depository; or
- (iii) The City has determined that it is in the best interest of the beneficial owners of the Bonds or the City not to continue the book-entry system of transfer.

Upon occurrence of the event described in (i) or (ii) above, the City shall attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City Council shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit A to the Ordinance to the Participants. In the event the City Council, in its discretion, makes the determination noted in (iii) above and has made provisions to notify the beneficial owners of the Bonds by mailing an appropriate notice to DTC, the appropriate officers and agents of the City shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit A to this Ordinance to any Participants requesting such Replacement Bonds. Principal of and interest on the Replacement Bonds shall be payable as provided in this Ordinance and in the Bonds and Replacement Bonds will be transferable in accordance with the provisions of paragraphs 9 and 10 of this Ordinance and the Bonds.

6. Appointment of Bond Registrar and Paying Agent. The City Manager and the Director of Finance, or either of them, are authorized and directed to appoint a Bond Registrar and Paying Agent for the Bonds.

The City Council may appoint a subsequent registrar and/or one or more paying agents for the Bonds by subsequent resolution and upon giving written notice to the owners of the Bonds specifying the name and location of the principal office of any such registrar or paying agent.

7. **Execution of Bonds.** The Mayor and the Clerk of the City are authorized and directed to execute appropriate negotiable Bonds and to affix the seal of the City thereto and to deliver the Bonds to the purchaser thereof upon payment of the purchase price. The manner of execution and affixation of the seal may be by facsimile, provided, however, that if the signatures of the Mayor and the Clerk are both by facsimile, the Bonds shall not be valid until signed at the foot thereof by the manual signature of the Bond Registrar.

8. **CUSIP Numbers.** The Bonds shall have CUSIP identification numbers printed thereon. No such number shall constitute a part of the contract evidenced by the Bond on which it is imprinted and no liability shall attach to the City, or any of its officers or agents by reason of such numbers or any use made of such numbers, including any use by the City and any officer or agent of the City, by reason of any inaccuracy, error or omission with respect to such numbers.

9. **Registration, Transfer and Exchange.** Upon surrender for transfer or exchange of any Bond at the principal office of the Bond Registrar, the City shall execute and deliver and the Bond Registrar shall authenticate in the name of the transferee or transferees a new Bond or Bonds of any authorized denomination in an aggregate principal amount equal to the Bond surrendered and of the same form and maturity and bearing interest at the same rate as the Bond surrendered, subject in each case to such reasonable regulations as the City and the Bond Registrar may prescribe. All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the City and the Bond Registrar, duly executed by the registered owner or by his or her duly authorized attorney-in-fact or legal representative. No Bond may be registered to bearer.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the City, evidencing the same debt as the Bonds surrendered, shall be secured by this Ordinance and entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

10. **Charges for Exchange or Transfer.** No charge shall be made for any exchange or transfer of Bonds, but the City may require payment by the registered owner of any Bond of a sum sufficient to cover any tax or other governmental charge which may be imposed with respect to the transfer or exchange of such Bond.

11. **Typewritten or Printed Bonds.** The City may initially issue any or all of the Bonds in typewritten or printed form, as determined by the Director of Finance and the City Manager, or either of them. If any of the Bonds are to be issued in printed form, the City may initially issue such Bonds in temporary, typewritten form and shall promptly prepare, execute and deliver to the registered owners Bonds in printed form of the same maturity and interest rate and for the same aggregate principal amount as the typewritten Bonds. Appropriate variations, omissions and insertions may be made in the Bonds to facilitate printing. The Bonds will also be eligible for deposit with The Depository Trust Company.

12. **Non-Arbitrage Certificate and Tax Covenants.** The City Manager and the Director of Finance, or either of them, and such officers and agents of the City as either of them may designate are authorized and directed to execute a Non-Arbitrage Certificate and Tax Covenants

setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to comply with the provisions of the Internal Revenue Code of 1986, as amended ("Code"), including the provisions of Section 148 of the Code and applicable regulations relating to "arbitrage bonds." The City Council covenants on behalf of the City that the proceeds from the issuance and sale of the Bonds will be invested and expended as set forth in the City's Non-Arbitrage Certificate and Tax Covenants, to be delivered simultaneously with the issuance and delivery of the Bonds and that the City shall comply with the other covenants and representations contained therein.

13. Disclosure Documents. The City Manager and the Director of Finance, or either of them, and such officers and agents of the City as either of them may designate are hereby authorized and directed to prepare, execute, if required, and deliver an appropriate notice of sale, preliminary official statement, official statement, continuing disclosure agreement or such other offering or disclosure documents as may be necessary to expedite the sale of the Bonds. The notice of sale, preliminary official statement, official statement, continuing disclosure agreement or other documents shall be published in such publications and distributed in such manner, including electronically, and at such times as the Director of Finance shall determine. The Director of Finance is authorized and directed to deem the preliminary official statement "final" for purposes of Securities and Exchange Commission Rule 15c2-12.

14. Further Actions; Public Hearing. The City Manager and the Director of Finance and such officers and agents of the City as either of them may designate are authorized and directed to take such further action as they deem necessary regarding the issuance and sale of the Bonds and all actions taken by such officers and agents in connection with the issuance and sale of the Bonds are ratified and confirmed.

The Clerk of the City is authorized and directed to advertise a public hearing to be held by the City Council in accordance with Section 15.2-2606 of the Code of Virginia of 1950, as amended before the issuance of the Bonds.

15. Reimbursement. The City Council adopts this declaration of official intent under Treasury Regulations Section 1.150-2. The City Council reasonably expects to reimburse advances made or to be made by the City to pay the costs of the Projects from the proceeds of its debt. The maximum amount of debt expected to be issued for the Projects is set forth in paragraph 1 above. The City hereby authorizes the Director of Finance, on behalf of the City, to specifically declare the City's official intent to reimburse portions of the cost of the Projects with Bond proceeds.

16. **Effective Date; Applicable Law.** In accordance with Section 15.2-2601 of the Code of Virginia of 1950, as amended, the City Council elects to issue the Bonds pursuant to the provisions of the Public Finance Act of 1991. This Ordinance shall take effect upon the date and at the time of its final passage.

KERRY J. DONLEY
Mayor

Final Passage: May 12, 2001

Exhibit A - FORM OF BOND**UNITED STATES OF AMERICA****COMMONWEALTH OF VIRGINIA****No. R-****CITY OF ALEXANDRIA****GENERAL OBLIGATION CAPITAL IMPROVEMENT BOND, SERIES ____****MATURITY DATE****INTEREST RATE****CUSIP****REGISTERED OWNER:****PRINCIPAL AMOUNT:**

CITY OF ALEXANDRIA, VIRGINIA (the "City"), for value received, acknowledges itself indebted and promises to pay to the registered owner of this Bond or legal representative, the principal amount stated above on the maturity date set forth above and to pay interest on the principal amount of this Bond at the rate specified above per annum, payable semiannually on _____ 1 and _____ 1, beginning on _____ 1, _____. This Bond shall bear interest (a) from _____, _____, if this Bond is authenticated before _____ 1, _____ or (b) otherwise from the _____ 1 or _____ 1 that is, or immediately precedes, the date on which this Bond is authenticated; provided that, if at the time of authentication of this Bond, interest on this Bond is in default, this Bond shall bear interest from the date to which interest has been paid. Both principal of and interest on this Bond are payable in lawful money of the United States of America. The principal of this Bond is payable upon presentation and surrender hereof at the office of _____, as Bond Registrar and Paying Agent ("Bond Registrar"). Interest on this Bond is payable by check or draft mailed to the registered owner hereof at its address as it appears on the registration books maintained by the Bond Registrar without presentation of this Bond (or by wire if requested by any owner of at least \$1,000,000 in principal amount of the Bonds). All interest payments shall be made to the registered owner as it appears on the registration books kept by the Bond Registrar on the fifteenth day of the month preceding each interest payment date.

This Bond has been duly authorized by the City Council and is issued for the purpose of providing funds to pay the costs of various capital improvements for the City. The full faith and credit of the City are irrevocably pledged for the payment of the principal of and premium, if any, and interest on this Bond in accordance with its terms.

This Bond is one of a series of \$ _____ General Obligation Capital Improvement Bonds, Series ____ of the City, (the "Bonds") of like date and tenor, except as to number, denomination, rate of interest and maturity, issued under the authority of and in full compliance with the Constitution and statutes of the Commonwealth of Virginia, and, more particularly, issued

pursuant to the Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Code of Virginia of 1950, as amended and an ordinance adopted by the City Council on _____, 2001(the "Ordinance").

Bonds maturing on or before _____, _____ are not subject to redemption before maturity. Bonds at the time outstanding which are stated to mature on or after _____, _____ may be redeemed before their maturities on or after _____, _____, at the option of the City in whole or in part (in installments of \$5,000) at any time or from time to time during the following redemption periods upon payment of the following redemption prices (expressed as a percentage of the principal amount to be redeemed) together with the interest accrued thereon to the date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption Price</u>
_____, _____ through _____, _____	_____%
_____, _____ through _____, _____	_____%
_____, _____ and thereafter	_____%

If less than all of the Bonds are called for redemption, the maturities of the Bonds to be redeemed shall be selected by the Director of Finance of the City in such officer's discretion. If less than all of the Bonds of any maturity are called for redemption, the Bonds or portions thereof to be redeemed within a maturity shall be selected by lot by the Bond Registrar, each portion of \$5,000 principal amount being counted as one Bond for such purpose.

If any of the Bonds or portions thereof are called for redemption, the Bond Registrar shall send notice of the call for redemption identifying the Bonds by serial or CUSIP numbers, and in the case of partial redemption, identifying the principal amount to be redeemed, and identifying the redemption date and price and the place where Bonds are to be surrendered for payment, by first class mail not less than 30 nor more than 60 days before the redemption date to the registered owner of each Bond to be redeemed at such owner's address as it appears on the registration books maintained by the Bond Registrar, but failure to mail such notice shall not affect the validity of the proceedings for redemption. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured by the Ordinance and shall not be deemed to be outstanding. If a portion of this Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion hereof will be issued to the registered owner upon the surrender of this Bond.

The Bonds are issuable as fully registered bonds in denominations of \$5,000 and integral multiples thereof. Any Bond may be exchanged for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations at the principal office of the Bond Registrar.

This Bond may be transferred only by an assignment duly executed by the registered owner hereof or such owner's attorney or legal representative in a form satisfactory to the Bond Registrar. Such transfer shall be made in the registration books kept by the Bond Registrar upon presentation

and surrender hereof and the City shall execute, and the Bond Registrar shall authenticate and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner hereof or such owner's attorney or legal representative. Any such exchange shall be at the expense of the City, except that the Bond Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The City may designate a successor Bond Registrar and/or Paying Agent, provided that written notice specifying the name and location of the principal office of any such successor shall be given to the registered owner of the Bonds. Upon registration of transfer of this Bond, the Bond Registrar shall furnish written notice to the transferee of the name and location of the principal office of the Bond Registrar and/or the Paying Agent.

The Bond Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as the owner on the registration books on the 15th day of the month preceding each interest payment date.

This Bond shall not be valid or obligatory for any purpose unless and until authenticated at the foot hereof by the Bond Registrar.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to the issuance of this Bond have happened, exist or been performed in due time, form and manner as so required and that the indebtedness evidenced by this Bond is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the City Council of the City of Alexandria, Virginia, has caused this Bond to be signed by the facsimile signature of its Mayor, a facsimile of its seal to be affixed and attested by the facsimile signature of its Clerk and this Bond to be dated _____, ____.

CITY OF ALEXANDRIA, VIRGINIA

By _____

Mayor, City of Alexandria, Virginia

[SEAL]

ATTEST:

Clerk, City Council,
City of Alexandria, Virginia

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF ASSIGNEE)

PLEASE INSERT SOCIAL SECURITY OR OTHER
 IDENTIFYING NUMBER OF ASSIGNEE: _____

the within Bond and does hereby irrevocably constitute and appoint

_____, attorney, to transfer said Bond
 on the books kept for registration of said Bond, with full power of substitution in the premises.

Dated _____

Signature Guaranteed:

 (NOTICE: Signature(s) must be
 guaranteed.)

 Registered Owner
 (NOTICE: The signature above
 must correspond with the name
 of the Registered Owner as it
 appears on the books kept for
 registration of this Bond
 in every particular, without
 alteration or change.)

CERTIFICATE OF AUTHENTICATION

The undersigned Bond Registrar hereby certifies that this is one of a series of Bonds of the City of Alexandria, Virginia described in the within-mentioned Resolution.

Authentication Date: _____

By: _____

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INSTRUMENT #010010674
RECORDED IN THE CLERK'S OFFICE OF
ALEXANDRIA ON
MAY 16, 2001 AT 09:41AM
EDWARD SEMONIAN, CLERK

BY:  _____ (IC)