


City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 7, 2012

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: RASHAD M. YOUNG, CITY MANAGER 

SUBJECT: CONSIDERATION OF A RESOLUTION AUTHORIZING THE ISSUANCE OF REFUNDING BONDS BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF ALEXANDRIA FOR EPISCOPAL HIGH SCHOOL

ISSUE: Resolution authorizing the issuance of refunding bonds by the Industrial Development Authority of the City of Alexandria (AIDA) in an amount not to exceed \$13.75 million to assist Protestant Episcopal High School (the "School") in refunding all or a portion of the outstanding amount of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 2003.

RECOMMENDATION: That City Council adopt the attached Resolution (Attachment 1) as recommended by the AIDA.

DISCUSSION: On March 6, 2012, the AIDA will consider a resolution (Attachment 2) authorizing the issuance of AIDA revenue refunding bonds in an amount not to exceed \$13.75 million for the purpose of assisting the School in refunding of all or a portion of the outstanding amount of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 2003. The bonds were originally issued to finance the acquisition, construction, equipping, expansion, renovation and enlargement of the educational facilities located at the School's campus, which consists of approximately 135 acres located at 1200 North Quaker Lane.

Protestant Episcopal High School, founded in 1839, is a not-for-profit 501(c)(3) educational organization, whose primary purpose is to provide secondary education to students. The School is a coeducational college preparatory boarding high school serving more than 400 students and is accredited by the Virginia Association of Independent Schools and the Southern Association of Colleges and Schools.

FISCAL IMPACT: The AIDA has the authority under State law to issue tax-exempt Industrial Revenue Bonds for certain nonprofit organizations and has done so frequently in the past. An administrative fee is charged to applicants for the bond financing. The fee is used to partially

fund the operating costs of the Alexandria Economic Development Partnership (AEDP). The AIDA will receive a fee of up to \$13,375 depending on the ultimate size of the financing.

Since these are conduit revenue bonds, the City is not obligated to repay the bonds or the interest on the bonds. The bonds do not contain any pledge of the City's faith and credit. The obligation rests solely with The Protestant Episcopal High School in Virginia. Under federal and State law, eligible non-profits such as this organization can avail themselves of tax-exempt financing for financing real property acquisition, if such non-profits finance their projects through public authorities such as the AIDA.

ATTACHMENT:

Attachment 1 – Proposed Council Resolution

Attachment 2 – Notice and Certification of Public Hearing

Attachment 3 – Fiscal Impact Statement

Attachment 4 – March 6, 2012, Resolution of the Industrial Development Authority of the
City of Alexandria

STAFF:

Laura B. Triggs, Acting Chief Financial Officer

Stephanie Landrum, Senior Vice President, Alexandria Economic Development Partnership

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ALEXANDRIA, VIRGINIA WITH RESPECT TO INDUSTRIAL
DEVELOPMENT AUTHORITY FINANCING FOR EPISCOPAL HIGH SCHOOL**

WHEREAS, the Industrial Development Authority of the City of Alexandria (the "Authority"), has considered the application and plan of financing of Protestant Episcopal High School in Virginia (the "Borrower"), a 501(c)(3) organization not organized exclusively for religious purposes requesting that the Authority issue up to \$13,750,000 of its revenue bonds (the "Bonds"), in one or more series at one time or from time to time (the "Plan of Financing"), to (a) refund all or a portion of the outstanding amount of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 2003 (the "Series 2003 Bonds"), issued in the initial aggregate principal amount of \$13,000,000 to finance the acquisition, construction, equipping, expansion, renovation and enlargement of the educational facilities of the Borrower, all located at the campus of the Borrower consisting of approximately 135 acres at 1200 North Quaker Lane in the City of Alexandria, Virginia, including without limitation: (1) the renovation, construction and equipping of new and existing academic facilities, including without limitation construction of a new science center with approximately 40,000 square feet; (2) the renovation, construction and equipping of housing, including faculty residences each containing approximately 2,500 square feet; (3) the renovation, construction and equipping of other student facilities, including without limitation renovation of an existing gymnasium into a student center with approximately 10,000 square feet; (4) the construction, renovation and equipping of the Borrower's landscaping, walks, roadways and parking areas; and (5) other capital improvements at the Borrower's educational facilities, and (b) to finance the costs of issuing the Bonds and other costs related to the refunding of the Series 2003 Bonds and the issuance of the Bonds.

WHEREAS, the Authority has held a public hearing on the Borrower's application and Plan of Financing on March 6, 2012;

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), provides that the governmental unit having jurisdiction over the issuer of private activity bonds and over the area in which any facility financed with the proceeds of private activity bonds is located must approve the issuance of the bonds;

WHEREAS, the Authority issues its bonds on behalf of the City of Alexandria, Virginia (the "City"), the Facility is located in the City and the City Council of the City of Alexandria, Virginia (the "Council") constitutes the highest elected governmental unit of the City;

WHEREAS, the Authority has recommended that the Council approve the Plan of Financing and the issuance of the Bonds; and

WHEREAS, a copy of the Authority's resolution approving the issuance of the Bonds pursuant to the Borrower's Plan of Financing, subject to the terms to be agreed upon, a certificate of the public hearing and a Fiscal Impact Statement have been filed with the Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA:

1. The Council approves the Plan of Financing and the issuance of the Bonds by the Authority for the benefit of the Borrower, as required by Section 147(f) of the Code and Section 15.2-4906 of the Code of Virginia of 1950, as amended (the "Virginia Code") to permit the Authority to assist in its Plan of Financing.

2. The approvals of the Plan of Financing and the issuance of the Bonds do not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Plan of Financing or the Borrower.

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

Adopted by the City Council of the City of Alexandria, Virginia this 13th day of March, 2012.

Clerk, City Council, City of Alexandria, Virginia

[SEAL]



PROOF OF PUBLICATION

I, Giovanna Lowe, of The Washington Examiner, (Virginia Edition) a newspaper in the area of Virginia, published in the English language and located in the Virginia area, and entered in a newspaper of record according to the Laws and Regulations of the United States of America for 52 successive Weeks or more prior to the issue of February 26, 2012 certify that the notice of:

RECEIVED BOND PLAN

For

McGuire Woods, LLP

Attached hereto has been published on February 19, 26, 2012

Giovanna Lowe

Giovanna Lowe

28th day of February, 2012

Hilda G. Cain 338707

Hilda G. Cain

My Commission Expires

The 30th day of September 2015

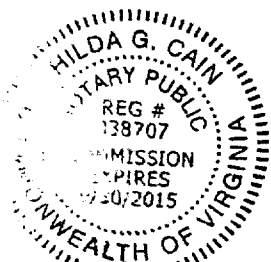
Advertisement #: 731043

End Date: February 26, 2012

Run Dates: February 19, 26, 2012

RECEIVED BOND PLAN

McGuire Woods, LLP



1015 15th Street NW, Suite 500, Washington, DC 2
Springfield, VA 22151 • 202.459.4923



NOTICE OF PUBLIC HEARING ON PROPOSED REVENUE BOND PLAN OF FINANCING BY INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF ALEXANDRIA

Notice is hereby given that the Industrial Development Authority of the City of Alexandria (the "Authority") will hold a public hearing on the application of Protestant Episcopal High School in Virginia (the "Borrower"), a 501(c)(3) organization not organized exclusively for religious purposes, whose address is 1200 North Quaker Lane, Alexandria, Virginia. The Borrower has requested the Authority to issue up to \$13,750,000 of its revenue bonds, in one or more series at one time or from time to time ("Plan of Financing"), to refund all or a portion of the outstanding principal amount of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 2003, issued in the initial aggregate principal amount of \$13,000,000, to assist the Borrower in the acquisition, construction, equipping, expansion, renovation and enlargement of the educational facilities of the Borrower, all located at the campus of the Borrower consisting of approximately 135 acres at 1200 North Quaker Lane in the City of Alexandria, Virginia, including without limitation: (1) the renovation, construction and equipping of new and existing academic facilities, including without limitation construction of a new science center with approximately 40,000 square feet; (2) the renovation, construction and equipping of housing, including faculty residences each containing approximately 2,500 square feet; (3) the renovation of an existing gymnasium into a student center with approximately 10,000 square feet; (4) the construction, renovation and equipping of the Borrower's landscaping, walks, roadways and parking areas; and (5) other capital improvements at the Borrower's educational facilities.

The issuance of revenue bonds, in one or more series, at one time or from time to time pursuant to the Plan of Financing, will not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or the City of Alexandria, Virginia, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the City of Alexandria, Virginia, will be pledged to the payment of such bonds.

The public hearing, which may be continued or adjourned, will be held at 5:00 p.m. on March 6, 2012 before the Authority, at the offices of Alexandria Economic Development Partnership, Inc. at 625 N. Washington Street, Suite 400, Alexandria, Virginia. Any person interested in the issuance of the bonds or the location or nature of the proposed project may appear at the hearing and present his or her views. Information regarding the Borrower's application is on file and is open for inspection at the Authority's office during business hours.

Industrial Development Authority of the
City of Alexandria

February 19, 26, 2012 731043

CERTIFICATE

The undersigned Secretary of the Industrial Development Authority of the City of Alexandria (the "Authority") certifies as follows:

1. A meeting of the Authority was duly called and held on March 6, 2012 at 5:00 o'clock p.m. at the offices of the Alexandria Economic Development Partnership, Inc., at 625 N. Washington Street, Suite 600, in Alexandria, Virginia, pursuant to proper notice given to each Director of the Authority before such meeting. The meeting was open to the public. The time of the meeting and the place at which the meeting was held provided a reasonable opportunity for persons of differing views to appear and be heard.

2. The Chairman announced the commencement of a public hearing on the application and plan of financing of Protestant Episcopal High School in Virginia, a 501(c)(3) organization, and that a notice of the hearing was published once a week for two successive weeks in a newspaper having general circulation in the City of Alexandria, Virginia (the "Notice"), with the second publication appearing not less than six days nor more than twenty-one days prior to the hearing date. A copy of the Notice has been filed with the minutes of the Authority and is attached as Exhibit A.

3. A summary of the statements made at the public hearing is attached as Exhibit B.

4. Attached as Exhibit C is a true, correct and complete copy of a resolution (the "Resolution") adopted at such meeting of the Authority by a majority of the Directors present at such meeting. The Resolution constitutes all formal action taken by the Authority at such meeting relating to matters referred to in the Resolution. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on this date.

WITNESS my hand and the seal of the Authority, this 6th of March, 2012.



Secretary, Industrial Development Authority
of the City of Alexandria

[SEAL]

Exhibits:

- A - Copy of Certified Notice
- B - Summary of Statements
- C - Inducement Resolution

EXHIBIT B TO CERTIFICATE

Summary of Statements

Representatives of Protestant Episcopal High School in Virginia, including William H. de Butts, III, Chief Financial Officer of the School, and McGuireWoods LLP, bond counsel and counsel to the School, appeared before the Authority to explain the proposed plan of financing. No one appeared in opposition to the proposed bond issue.

March 6, 2012

City Council
City of Alexandria
Alexandria, Virginia

**Industrial Development Authority of the City of Alexandria
Proposed Financing for Protestant Episcopal High School in Virginia**

Protestant Episcopal High School in Virginia, a 501(c)(3) organization not organized exclusively for religious purposes (the "Borrower"), has requested that the Industrial Development Authority of the City of Alexandria (the "Authority"), issue up to \$13,750,000 of its revenue bonds (the "Bonds"), in one or more series at one time or from time to time ("Plan of Financing"), to refund all or a portion of the outstanding amount of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 2003, issued in the initial aggregate principal amount of \$13,000,000 to finance the acquisition, construction, equipping, expansion, renovation and enlargement of the educational facilities of the Borrower, all located at the campus of the Borrower consisting of approximately 135 acres at 1200 North Quaker Lane in the City of Alexandria, Virginia, including without limitation: (1) the renovation, construction and equipping of new and existing academic facilities, including without limitation construction of a new science center with approximately 40,000 square feet; (2) the renovation, construction and equipping of housing, including faculty residences each containing approximately 2,500 square feet; (3) the renovation, construction and equipping of other student facilities, including without limitation renovation of an existing gymnasium into a student center with approximately 10,000 square feet; (4) the construction, renovation and equipping of the Borrower's landscaping, walks, roadways and parking areas; and (5) other capital improvements at the Borrower's educational facilities.

As set forth in the resolution of the Authority attached hereto (the "Resolution"), the Authority has agreed to issue its Bonds pursuant to the Plan of Financing as requested. The Authority has conducted a public hearing on the proposed Plan of Financing and has recommended that you approve the issuance of the Bonds as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, and Section 15.2-4906 of the Code of Virginia of 1950, as amended.

Attached hereto is (1) a certificate evidencing the conduct of the public hearing and the action taken by the Authority, (2) the Fiscal Impact Statement required pursuant to Virginia Code Section 15.2-4907, and (3) the form of resolution suggested by counsel to evidence your approval.



Secretary, Industrial Development Authority
of the City of Alexandria

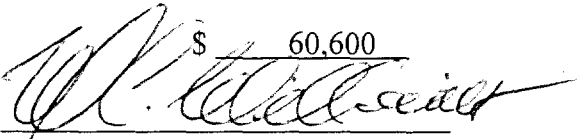
**FISCAL IMPACT STATEMENT
FOR PROPOSED INDUSTRIAL REVENUE BOND FINANCING**

Date: March 6, 2012

To the City Council of the City of Alexandria, Virginia

Name of Applicant: Protestant Episcopal High School in Virginia
Project: Refunding of Authority's Educational Facilities Revenue Bonds
(Episcopal High School), Series 2003.

- | | |
|--|----------------------|
| 1. Maximum amount of financing sought | \$ <u>13,750,000</u> |
| 2. Estimated taxable value of the facility's real property to be constructed in the municipality | \$ <u>N/A</u> |
| 3. Estimated real property tax per year using present tax rates | \$ <u>N/A</u> |
| 3. Estimated personal property tax per year using present tax rates | \$ <u>N/A</u> |
| 4. Estimated merchants' capital tax per year using present tax rates | \$ <u>N/A</u> |
| 6. (a) Estimated dollar value per year of goods that will be purchased from Virginia companies within the locality | \$ <u>450,000</u> |
| (b) Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality | \$ <u>250,000</u> |
| (c) Estimated dollar value per year of services that will be purchased from Virginia companies within the locality | \$ <u>150,000</u> |
| (d) Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality | \$ <u>50,000</u> |
| 7. Estimated number of regular employees on year round basis | 165 FTE's |
| 8. Average annual salary per employee | \$ <u>60,600</u> |


Chairman, Industrial Development
Authority of the City of Alexandria

**RESOLUTION OF
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF ALEXANDRIA, VIRGINIA
APPROVING THE ISSUANCE OF UP TO \$13,750,000
EDUCATIONAL FACILITIES REVENUE REFUNDING BONDS
(EPISCOPAL HIGH SCHOOL) SERIES 2012
AND AUTHORIZING THE EXECUTION AND DELIVERY OF
BOND DOCUMENTS SUBJECT TO CERTAIN BOND TERMS
FOR THE BENEFIT OF
THE PROTESTANT EPISCOPAL HIGH SCHOOL IN VIRGINIA**

RECITALS

A. The Industrial Development Authority of the City of Alexandria, Virginia, a political subdivision of the Commonwealth of Virginia (the "Authority"), is empowered by the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), to issue its revenue bonds to finance facilities for private, accredited and nonprofit institutions of education in the Commonwealth of Virginia (the "Commonwealth") whose primary purpose is to provide collegiate, elementary, secondary or graduate education, and not to provide religious training or theological education, to promote the health and welfare of the Commonwealth's inhabitants; and is further empowered to issue its revenue bonds for the purpose of carrying out its powers.

The Authority has received a request from The Protestant Episcopal High School in Virginia (the "Borrower") a not-for-profit 501(c)(3) nonstock corporation, organized and existing under the laws of the Commonwealth, requesting the Authority to issue and sell its revenue bonds (the "Bonds"), in one or more series at one time or from time to time, to assist the Borrower in the refunding of all or a portion of the outstanding amount of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 2003 (the "2003 Bonds"), issued in the initial aggregate principal amount of \$13,000,000 to finance the acquisition, construction, equipping, expansion, renovation and enlargement of the educational facilities of the Borrower, all located at the campus of the Borrower consisting of approximately 135 acres at 1200 North Quaker Lane in the City of Alexandria, Virginia, including without limitation: (1) the renovation, construction and equipping of new and existing academic facilities, including without limitation construction of a new science center with approximately 40,000 square feet; (2) the renovation, construction and equipping of housing, including faculty residences each containing approximately 2,500 square feet; (3) the renovation, construction and equipping of other student facilities, including without limitation renovation of an existing gymnasium into a student center with approximately 10,000 square feet; (4) the construction, renovation and equipping of the Borrower's landscaping, walks, roadways and parking areas; and (5) other capital improvements at the Borrower's educational facilities. A portion of the proceeds of the Bonds may also be used to fund costs of issuance, accrued interest and redemption premium, reserve and other funds, original issue premium/discount and/or other financing costs related to the Bonds or the 2003 Bonds.

The Bonds will be issued on behalf of the Borrower in one or more series at one time or from time to time.

B. The Bonds are expected to be sold by the Authority to Morgan Keegan & Company, Inc., as representative of one or more investment banks (the "Underwriter"), pursuant to the terms of a Bond Purchase Agreement, to be dated the date of its execution and delivery (the "Bond Purchase Agreement"), among the Authority, the Underwriter, and the Borrower.

C. The Bonds are to be offered for sale by the Underwriter pursuant to an Official Statement in preliminary form, to be dated the date of its delivery, and in final form, to be dated the date of the sale of the Bonds, prepared in connection with the offering and sale of the Bonds (the "Official Statement").

D. The foregoing arrangements will be reflected in the following documents, preliminary forms of which have been presented to the Authority and filed with the records of the Authority, and which are necessary to carry out the transaction described above:

(i) the Indenture of Trust, to be dated as of the date of the Bonds (the "Indenture of Trust"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee");

(ii) the Financing Agreement, to be dated as of the date of the Bonds, between the Authority and the Borrower;

(iii) the form of the Bonds, to be dated, bearing interest and payable as provided therein and in the Indenture of Trust and incorporated into the Indenture of Trust;

(iv) the Bond Purchase Agreement;

(v) the Official Statement; and

(vi) the Tax Compliance Agreement, to be dated as of the date of the Bonds, between the Authority and the Borrower.

All of the documents listed above, except the Bonds, are referred to in this Resolution as the "Bond Documents."

E. The Bond Documents shall reflect the following terms for the Bonds (the "Bond Terms"): (1) the aggregate principal amount of the Bonds shall not exceed \$13,750,000, (2) the true interest cost shall not to exceed 6.00% per annum, and (3) the final maturity date shall not be later than January 1, 2042.

F. (a) No member of the Board of Directors of the Authority is an officer or employee of the City of Alexandria, Virginia, (b) each member, before entering upon such member's duties during such member's current term of office, has taken and subscribed to the oath prescribed by Section 49-1 of the Code of Virginia of 1950, as amended, and (c) at the time of their appointments and at all times thereafter, including the date hereof, all of the members of the Board of Directors of the Authority have satisfied the residency requirements of the Act.

G. No member of the Board of Directors of the Authority has any personal or business interest in the Borrower, the Bonds, the Bond Documents, or any of the transactions contemplated therein or has otherwise engaged in conduct prohibited under the Conflict of Interests Act, Chapter 31, Title 2.2 of the Code of Virginia of 1950, as amended (the "Conflict of Interests Act") in connection with this resolution or any other official action of the Authority in connection therewith.

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

1. The issuance of the Bonds, to be styled the "Industrial Development Authority of the City of Alexandria, Virginia Educational Facilities Revenue Refunding Bonds (Episcopal High School), Series 2012," with principal amounts, maturities, and interest rates consistent with the Bond Terms, is hereby authorized and approved. The Bonds shall be in substantially the form attached as an exhibit to the Indenture of Trust.

2. The Chairman and Vice Chairman of the Authority, either of whom may act, are each hereby authorized and directed to execute and deliver on behalf of the Authority the Bond Purchase Agreement and the Official Statement upon approval by such executing officer of their final forms, terms and conditions, provided that such forms, terms and conditions are consistent with the Bond Terms. The use and distribution of the Official Statement in preliminary and final form by the Underwriter is authorized, and the Chairman or Vice Chairman is authorized to deem the Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and to approve the preparation and distribution of such amendments or supplements to the Official Statement as may be necessary to comply with the Bond Purchase Agreement. Such distribution shall constitute conclusive evidence that the Authority has deemed such preliminary official statement to be final as of its date within the meaning of the Rule, with respect to the information contained therein pertaining to the Authority. The sale of the Bonds to the Underwriter is hereby approved and authorized, provided the terms of such sale shall be consistent with the Bond Terms.

3. The execution, delivery and performance by the Authority of the Bond Documents to which the Authority is a party, in substantially the forms presented at this meeting with principal amounts, maturities and interest rates consistent with the Bond Terms are authorized, with such changes (including to the dates thereof), insertions or omissions consistent with the Bond Terms as may be approved by the Chairman or the Vice Chairman of the Authority, whose approval shall be evidenced conclusively by their execution and delivery thereof. The execution of the Bonds and their delivery against payment therefor, the amount of such payment to be disbursed in accordance with the terms of the Indenture of Trust, are authorized.

4. The Chairman and the Vice Chairman of the Authority, either of whom may act, are each hereby authorized and directed to execute and deliver on behalf of the Authority the Bonds and the Bond Documents to which the Authority is a party, with terms consistent with the Bond Terms, and the Secretary and the Assistant Secretary of the Authority, either of whom may act, are each hereby authorized and directed to affix the seal of the Authority to the Bonds and, if required, the Bond Documents and to attest such seal. The signatures of the Chairman, the Vice

Chairman, the Secretary, and the Assistant Secretary, and the seal of the Authority may be by facsimile. Each officer of the Authority is authorized to execute and deliver on behalf of the Authority such instruments, documents or certificates consistent with the Bond Terms, including without limitation documents that may be necessary to obtain credit enhancement and/or liquidity facilities for the Bonds, and to do and perform such other things and acts, as such officer deems necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Bonds, the Bond Documents or such other instruments, documents or certificates, and all of the foregoing, previously done or performed by such officers of the Authority, are in all respects approved, ratified and confirmed.

5. The Authority determines that the issuance of the Bonds in accordance with the terms of the Bond Documents, including the Bond Terms, and all action of the Authority contemplated by them will be in furtherance of the purposes for which the Authority was organized.

6. At the request of the Borrower, the Authority approves McGuireWoods LLP, as Bond Counsel in connection with the issuance of the Bonds.

7. All costs and expenses incurred in connection with the issuance of the Bonds, including without limitation the fees and expenses of the Authority, Bond Counsel and Authority Counsel, will be paid by the Borrower or, to the extent permitted by applicable law, from the proceeds of the Bonds. If for any reason the Bonds are not issued, it is understood that all such expenses shall be paid by the Borrower, and that the Authority will have no responsibility for them.

8. The Bond Documents shall provide for indemnification and limitation of liability of the Authority, its members, and its officers, all in usual form.

9. The Bonds will not constitute a debt or pledge of the faith and credit or taxing power of the Commonwealth or any of its political subdivisions, including the Authority and the City of Alexandria, Virginia. Neither the Commonwealth nor any of its political subdivisions, including the Authority and the City of Alexandria, Virginia, will be obligated to pay the principal of, premium, if any, or interest on the Bonds or other costs incident to them except from the revenues and monies pledged for such purposes, and neither the faith and credit nor the taxing power of the Commonwealth or any of its political subdivisions, including the Authority and the City of Alexandria, Virginia, is pledged to the payment of principal of, premium, if any, or interest on the Bonds or other costs incident to them.

10. The Authority will not knowingly take or approve any action, investment or use of Bond proceeds that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

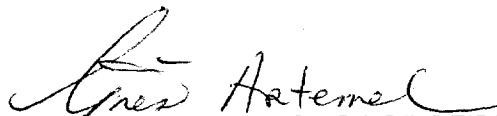
11. This resolution shall take effect immediately upon its adoption.

CERTIFICATE

The undersigned Secretary of the Industrial Development Authority of the City of Alexandria, Virginia ("Authority") certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority present and voting at a meeting duly called and held on March 6, 2012, in accordance with law, with a quorum present and acting throughout, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on this date.

WITNESS the following signature and seal of the Authority, this 6th day of March, 2012.

[SEAL]


Secretary, Industrial Development Authority of the
City of Alexandria, Virginia

RESOLUTION NO. 2490

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ALEXANDRIA, VIRGINIA WITH RESPECT TO INDUSTRIAL DEVELOPMENT
AUTHORITY FINANCING FOR EPISCOPAL HIGH SCHOOL

WHEREAS, the Industrial Development Authority of the City of Alexandria (the "Authority"), has considered the application and plan of financing of Protestant Episcopal High School in Virginia (the "Borrower"), a 501(c)(3) organization not organized exclusively for religious purposes requesting that the Authority issue up to \$13,750,000 of its revenue bonds (the "Bonds"), in one or more series at one time or from time to time (the "Plan of Financing"), to (a) refund all or a portion of the outstanding amount of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 2003 (the "Series 2003 Bonds"), issued in the initial aggregate principal amount of \$13,000,000 to finance the acquisition, construction, equipping, expansion, renovation and enlargement of the educational facilities of the Borrower, all located at the campus of the Borrower consisting of approximately 135 acres at 1200 North Quaker Lane in the City of Alexandria, Virginia, including without limitation: (1) the renovation, construction and equipping of new and existing academic facilities, including without limitation construction of a new science center with approximately 40,000 square feet; (2) the renovation, construction and equipping of housing, including faculty residences each containing approximately 2,500 square feet; (3) the renovation, construction and equipping of other student facilities, including without limitation renovation of an existing gymnasium into a student center with approximately 10,000 square feet; (4) the construction, renovation and equipping of the Borrower's landscaping, walks, roadways and parking areas; and (5) other capital improvements at the Borrower's educational facilities, and (b) to finance the costs of issuing the Bonds and other costs related to the refunding of the Series 2003 Bonds and the issuance of the Bonds.

WHEREAS, the Authority has held a public hearing on the Borrower's application and Plan of Financing on March 6, 2012;

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), provides that the governmental unit having jurisdiction over the issuer of private activity bonds and over the area in which any facility financed with the proceeds of private activity bonds is located must approve the issuance of the bonds;

WHEREAS, the Authority issues its bonds on behalf of the City of Alexandria, Virginia (the "City"), the Facility is located in the City and the City Council of the City of Alexandria, Virginia (the "Council") constitutes the highest elected governmental unit of the City;

WHEREAS, the Authority has recommended that the Council approve the Plan of Financing and the issuance of the Bonds; and

WHEREAS, a copy of the Authority's resolution approving the issuance of the Bonds pursuant to the Borrower's Plan of Financing, subject to the terms to be agreed upon, a certificate of the public hearing and a Fiscal Impact Statement have been filed with the Council.


NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA:

1. The Council approves the Plan of Financing and the issuance of the Bonds by the Authority for the benefit of the Borrower, as required by Section 147(f) of the Code and Section 15.2-4906 of the Code of Virginia of 1950, as amended (the "Virginia Code") to permit the Authority to assist in its Plan of Financing.
2. The approvals of the Plan of Financing and the issuance of the Bonds do not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Plan of Financing or the Borrower.
3. This resolution shall take effect immediately upon its adoption.

Adopted: March 13, 2012


WILLIAM D. EULLE MAYOR

ATTEST:


Jacqueline M. Henderson, MMC City Clerk