

MOTION:

October 20, 2020

SECOND:

Regular Meeting

Res. No. 20-

RE:

APPROVE – MINUTES – SEPTEMBER 22, 2020

ACTION:

WHEREAS, on September 22, 2020, at 2:00 p.m., the Prince William Board of County Supervisors convened its regular meeting in the Board's chamber, located in the James J. McCoart Administration Building, One County Complex Court, Prince William, Virginia; and

WHEREAS, the Prince William Board of County Supervisors conducted business in accordance with a published agenda dated September 22, 2020;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby approves the minutes of September 22, 2020.

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

ATTEST: _____

Clerk to the Board

MOTION: BAILEY

September 22, 2020

SECOND: ANGRY

Regular Meeting

Res. No. 20-642

**RE: RE-INVOKE CONTINUITY OF GOVERNMENT ORDINANCE FOR COVID-19
EMERGENCY DISASTER**

ACTION: APPROVED

WHEREAS, the Virginia General Assembly recognizes that the Board of County Supervisors (Board) must continue to govern in emergency circumstances to secure and promote the health, safety, and general welfare of the County and members of the public, and in doing so enacted Section 15.2-1413, VA Code Ann., which states: "Notwithstanding any contrary provision of law, general or special, any locality may, by ordinance, provide a method to assure continuity in its government, in the event of an enemy attack or other disaster. Such ordinance shall be limited in its effect to a period not exceeding six months after any such attack or disaster and shall provide for a method for the resumption of normal governmental authority by the end of the six-month period."; and

WHEREAS, on March 31, 2020, pursuant to Section 15.2-1413, the Prince William Board of County Supervisors adopted and invoked the provisions of emergency Ordinance Number (Ord. No.) 20-10 known as the Emergency Continuity of Government Ordinance; and

WHEREAS, on April 28, 2020, pursuant to Ord. No. 20-15, the Prince William Board of County Supervisors codified the Continuity of Government Ordinance as Article X of Chapter 2 of the Prince William County Code, and continued to invoke the Continuity of Government Ordinance and all its provisions during the pendency of the attack, emergency, crisis, and disaster created by COVID-19; and

WHEREAS, Ord. No. 20-15 provided, however, that the Continuity of Government Ordinance would be in effect for a period not exceeding six months from the Board's adoption of Ord. No. 20-10 on March 31, 2020; and

WHEREAS, the COVID-19 pandemic is ongoing and the need for the invocation of the Continuity of Government Ordinance to address the Covid-19 Emergency/Disaster continues as of this date; and

WHEREAS, to address the health threat posed by COVID-19 the Board intends to continue to follow appropriate health guidance, which may continue to require social distancing and may limit the number of individuals permitted in spaces where future Board meetings may be held; and

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WHEREAS, the initial invocation of the Continuity of Government Ordinance expires on September 30, 2020; because the public health threat of COVID-19 still exists the Board of County Supervisors wishes to re-invoke the Continuity of Government Ordinance to provide continuity of government due to the COVID-19 emergency/disaster to protect the safety, health, and welfare of the residents of Prince William County; and

WHEREAS, the Continuity of Government Ordinance establishes methods to assure continuity in Prince William County Government, including the Board of County Supervisors' procedures for meetings during an enemy attack, disaster, crisis, or emergency. These provisions are intended to ensure the Board's ability to conduct necessary public business in a manner consistent with Virginia law and federal, state, and local health directives and guidance, all while maintaining transparency and public participation to the greatest extent feasible; and

WHEREAS, HB 30 from the 2020 General Assembly Session included language in the Fiscal Year 2021 Virginia State Budget provisions authorizing the Board to meet by electronic communication means without a quorum of the Board assembled at one location; and nothing herein shall be construed to limit the authority granted to the Board therein, it being the intent of the Board to preserve its right to exercise all such powers available to continue the operation of the County government as are permitted by law;

NOW, THEREFORE, BE IT RESOLVED that the original invocation of the Continuity of Government for the COVID-19 emergency/disaster expires on September 30, 2020;

BE IT FURTHER RESOLVED that due to the ongoing health risks presented by the COVID-19 emergency/disaster, the Board continues to find that a disaster exists pursuant to Sections 15.2-1413 and 44-146.13, *et. seq.*, VA Code Ann., and hereby re-invokes the Continuity of Government Ordinance and all its provisions during the pendency of the attack, emergency, crisis, and disaster created by COVID-19;

BE IT FURTHER RESOLVED that the Board hereby authorizes the County's Director of Emergency Management to continue to take those actions authorized by law, the Continuity of Government Ordinance, and further action(s) by the Board to address the COVID-19 emergency, attack, crisis, and disaster;

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BE IT FURTHER RESOLVED that the provisions in the Continuity of Government Ordinance, and this resolution pertaining to the COVID-19 emergency, crisis, attack, and disaster, shall be in effect for a period not exceeding six months from September 22, 2020, unless re-invoked by further action by this Board, or this Board acts earlier to stop exercising its authority under the Continuity of Government Ordinance. Upon Board action to stop exercising its authority or expiration of six months from September 22, 2020, the matters referenced in in the Continuity of Government Ordinance shall resume operation in accordance with normal practices and procedures, unless extended or re-invoked by the Board due to any ongoing attack, emergency, crisis, and disaster created by COVID-19.

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Wheeler

Nays: Vega

Absent from Vote: None

Absent from Meeting: None

For Information:

County Attorney

County Executive

ATTEST:



Clerk to the Board

MOTION: BAILEY

**September 22, 2020
Regular Meeting
Res. No. 20-643**

SECOND: BODDYE

RE: APPROVE AND FIND FOR THE SEPTEMBER 22, 2020 BOARD MEETING THAT DUE TO THE PUBLIC HEALTH THREAT AND THE NEED FOR PREVENTION AND CONTROL OF THE SPREAD OF COVID-19, INCLUDING THE NEED FOR MEASURES SUCH AS SOCIAL DISTANCING WHICH MAY LIMIT THE NUMBER OF INDIVIDUALS PERMITTED IN SPACES WHERE FUTURE BOARD MEETINGS MAY BE HELD, THE USUAL BOARD MEETING PROCEDURES CANNOT BE IMPLEMENTED SAFELY OR PRACTICALLY; AND (A) ALL AGENDA ITEMS ARE NECESSARY AND ESSENTIAL TO ASSURE THE CONTINUITY OF COUNTY GOVERNMENT; AND/OR (B) THE NATURE OF THE DECLARED EMERGENCY MAKES IT IMPRACTICABLE OR UNSAFE FOR THE BOARD TO ASSEMBLE IN A SINGLE LOCATION, AND THE PURPOSE OF THE MEETING IS TO DISCUSS OR TRANSACT THE BUSINESS STATUTORILY REQUIRED OR NECESSARY TO CONTINUE OPERATIONS OF THE BOARD AND THE DISCHARGE OF ITS LAWFUL PURPOSES, DUTIES, AND RESPONSIBILITIES

ACTION: APPROVED

WHEREAS, Novel Coronavirus disease 2019 (COVID-19) is a serious public health threat, for which there is currently no proven vaccination, that is believed to be mainly spread by person to person contact; and

WHEREAS, on January 31, 2020, the United States Health and Human Services Secretary declared a public health emergency for the entire United States to aid the healthcare community in responding to COVID-19; and

WHEREAS, on March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic; and

WHEREAS, in response to COVID-19, the President has declared a National Emergency, the Governor has declared a State Emergency, and the County Executive has declared a Local Emergency, which was subsequently confirmed and amended by the Board to find the effects of COVID-19 constitute a disaster by Resolution Number (Res. No.) 20-307; and

WHEREAS, the Center for Disease Control (CDC), the Virginia Department of Health, the Governor of Virginia, and other federal and State authorities have provided guidelines for the prevention and control of the spread of COVID-19, and have advised that to prevent and slow the spread of COVID-19 people should avoid large gatherings, should practice social distancing and implement other health and safety measures to include, but not limited to: avoiding non-essential public and private gatherings and spaces when possible; avoiding close contact with those who are sick; staying home if the person is sick or believes they are sick unless they are seeking medical treatment; avoiding frequently touched public surfaces; practicing good personal and household hygiene; and complying with the Governor's Executive Orders; wash hands frequently; wear face coverings; and

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WHEREAS, the Board's priority is protecting the health, safety, and general welfare of the public; and

WHEREAS, to address the health threat posed by COVID-19 the Board intends to continue to follow appropriate health guidance, which may continue to require social distancing and may limit the number of individuals permitted in spaces where future Board meetings may be held; and

WHEREAS, on March 31, 2020, in response to the COVID-19 emergency/disaster, the Board adopted and invoked the provisions of the Continuity of Government Ordinance, (Ord. No.) 20-10, providing for the continuity of County government, including, but not limited to, establishing public safety measure and alternative Board meeting procedures; and

WHEREAS, on or about April 10, 2020, the Governor proposed Amendment 28 to HB29/2018-2020 Biennium Budget Bill and Amendment 137 to HB 30/2020-2022 Biennium Budget Bill, which were adopted by the General Assembly during the 2020 Reconvened Session and subsequently approved and signed by the Governor; and

WHEREAS, the initial invocation of the Continuity of Government Ordinance expires on September 30, 2020; because the public health threat of COVID-19 still exists, the Board re-invoked the Continuity of Government Ordinance on September 22, 2020; and

WHEREAS, the recording of the meeting shall be made available on the County website in accordance with the timeframes established in Virginia Code Sections 2.2-3707 and 2.2-3707.1; and

WHEREAS, notice of the meeting was provided to the public using the best available method given the nature of the COVID-19 emergency, which notice was given contemporaneously with the notice provided to the Board members; and

WHEREAS, arrangements were made for public access to, and public comment during, the meeting through electronic means, including to the extent practicable, videoconferencing; and

WHEREAS, the Board has otherwise complied with Virginia Code Section 2.2-3708.2;

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NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby approves and finds for the September 22, 2020 Board meeting that due to the public health threat and the need for prevention and control of the spread of COVID-19, including the need for measures such as social distancing which may limit the number of individuals permitted in spaces where future Board meetings may be held, the usual Board meeting procedures cannot be implemented safely or practically; and (a) all agenda items are necessary and essential to assure the continuity of County government; and/or (b) the nature of the declared emergency makes it impracticable or unsafe for the Board to assemble in a single location, and the purpose of the meeting is to discuss or transact the business statutorily required or necessary to continue operations of the Board and the discharge of its lawful purposes, duties, and responsibilities;

BE IT FURTHER RESOLVED that the Board Clerk shall note in the meeting minutes that the meeting was held by electronic communication means and the type of electronic communications means by which the meeting was held, including for each Board member, as applicable.

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Wheeler

Nays: Vega

Absent from Vote: None

Absent from Meeting: None

For Information:

County Attorney

ATTEST:



Clerk to the Board

MOTION: CANDLAND

September 22, 2020

SECOND: VEGA

Regular Meeting

Res. No. 20-644

RE: AMEND THE AGENDA DATED SEPTEMBER 22, 2020, TO PLACE PUBLIC COMMENT TIME AFTER PROCEDURAL MATTERS AND AHEAD OF THE PUBLIC HEARING

ACTION: FAILED

WHEREAS, Supervisor Candland stated that he would like Public Comment Time to occur at the beginning of each meeting;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby amends the agenda dated September 22, 2020, to place Public Comment Time after Procedural Matters and ahead of the Public Hearing.

Votes:

Ayes: Candland, Franklin Lawson, Vega

Nays: Angry, Bailey, Boddye, Wheeler

Absent from Vote: None

Absent from Meeting: None

ATTEST:



Clerk to the Board

MOTION: BODDYE

**September 22, 2020
Regular Meeting
Res. No. 20-645**

SECOND: BAILEY

RE: AUTHORIZE THE ISSUANCE OF ONE OR MORE GENERAL OBLIGATION SCHOOL BONDS OF THE COUNTY IN AN AGGREGATE AMOUNT NOT TO EXCEED \$119,450,000 TO FINANCE CERTAIN CAPITAL PROJECTS FOR SCHOOL PURPOSES AND TO APPROVE THE SALE OF SUCH BONDS TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY

ACTION: APPROVED

WHEREAS, the Prince William Board of County Supervisors (the "Board") of Prince William County, Virginia (the "County"), has determined that it is necessary and expedient to contract a debt and issue one or more of its general obligation school bonds at one or more times in an aggregate principal amount not to exceed \$119,450,000 (the "Bonds") for the purpose of financing certain capital projects for school purposes; and

WHEREAS, the County held a public hearing, duly noticed, on the date hereof, on the issuance of the Bonds in accordance with the requirements of Section 15.2-2606, Code of Virginia 1950, as amended (the "Virginia Code"); and

WHEREAS, the School Board of the County has, by resolution, requested the Board to authorize the issuance of the Bonds and consented to the issuance of the Bonds; and

WHEREAS, the Virginia Public School Authority ("VPSA") has offered to purchase the Bond(s) from the proceeds of its Special Obligation School Financing Bonds, Prince William County Series 2020 [2021] [-] (the "VPSA Bonds"), in accordance with the terms of one or more Bond Sale Agreements to be dated the date of sale of the related VPSA Bonds, between VPSA and the County (each a "Bond Sale Agreement"), the form of which has been presented to the Board at this meeting;

NOW, THEREFORE, BE IT RESOLVED BY THE PRINCE WILLIAM BOARD OF COUNTY SUPERVISORS:

1. **Authorization of Bond(s) and Use of Proceeds.** The Board hereby determines that it is advisable to contract a debt and issue and sell the Bonds, in an aggregate principal amount not to exceed \$119,450,000 for the purpose of financing certain capital projects for school purposes, including but not limited to those purposes described in Exhibit B (the "School Projects"). The Board hereby authorizes the issuance and sale of the Bonds in the form and upon the terms established pursuant to this Resolution. The Bonds may be issued, sold and delivered at one or more times on any date no later than June 30, 2021.

2. **Details of the Bonds.** The Bonds, shall be dated the date designated by VPSA; shall be designated "General Obligation School Bond, Series 2020[-]"; shall bear interest from the dated date thereof payable on the dates (each an "Interest Payment Date"), at the rates established in accordance with Section 3 of this Resolution, and shall mature on the dates in the

years (each a "Principal Payment Date") and in the amounts (the "Principal Installments") all determined pursuant to the provisions of Section 3 of this Resolution.

3. **Sale of the Bonds.** It is determined to be in the best interest of the County to accept the offer of VPSA to purchase from the County, and to sell to VPSA, Bonds, in an aggregate principal amount not to exceed \$119,450,000 at a price, determined by VPSA to be fair and accepted by the Chair of the Board of County Supervisors ("Board Chair"), the County Executive or the Director of Finance, any one of whom is hereby authorized to act, that will produce Bond proceeds of up to \$115,975,000 (the "New Money Proceeds Requested") to finance the School Projects.

The Board Chair, the County Executive or the Director of Finance, any one of whom may act, are hereby authorized and directed to determine the final aggregate principal amount of the Bonds and whether such bond(s) shall be sold at a premium or discount, subject to the limitations of Section 1, in order to produce the New Money Proceeds Requested, plus costs of issuance and enter into one or more Bond Sale Agreements with VPSA in substantially the form submitted to the Board at this meeting, which form is hereby approved; provided, however, that the Bonds shall be sold to VPSA at a price of not less than 97% of the aggregate principal amount of the Bonds; shall mature no later than December 31, 2041, shall have a true interest cost not to exceed 5.0%; and shall be subject to optional prepayment or redemption at a price not greater than 102% of the aggregate principal amount thereof, or may have "make-whole" optional redemption, each on the dates and upon the terms determined in accordance with Section 6 hereof.

Subject to the preceding terms, the Board further authorizes the County Executive or the Director of Finance, either of whom may act (each, a "Delegate"), to set certain terms of the Bonds, and to conform if necessary to the terms of any VPSA Bonds, including (a) the caption for and the dated date of the Bonds, (b) the interest rates and Interest Payment Dates of the Bonds, (c) the Principal Installments of the Bonds, and the Principal Payment Dates thereof and (d) the redemption provisions of the Bonds, all in such manner as a Delegate shall determine to be in the best interest of the County.

Following the pricing of any VPSA Bonds, a Delegate shall evidence approval of the final terms and purchase price of the Bonds, by executing and delivering to VPSA a Bond Sale Agreement, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Delegate. The actions of the Delegate in determining the final terms and the purchase price of the Bonds, shall be conclusive, and no further action shall be necessary on the part of the Board.

4. **Form of the Bonds.** The Bonds shall be initially in substantially the form attached hereto as Exhibit A, with such variations, modifications or deletions as a Delegate shall determine to be in the best interest of the County.

5. **Payment; Paying Agent and Bond Registrar.** The following provisions shall apply to the Bonds:

(a) For as long as VPSA is the registered owner of a Bond, all payments of principal, premium, if any, and interest on such Bond shall be made in immediately available funds to VPSA at or before 11:00 a.m. on the applicable Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption, or if such date is not a business day for Virginia banks or for the Commonwealth of Virginia, then at or before 11:00 a.m. on the business day next succeeding such Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption;

(b) All overdue payments of principal and, to the extent permitted by law, interest on a Bond shall bear interest at the applicable interest rate or rates on such Bond.

(c) U.S. Bank National Association, Richmond, Virginia, is designated as Bond Registrar and Paying Agent for the Bonds.

6. **Prepayment or Redemption.** Subject to the provisions of Section 3 hereof, the Principal Installments of the Bonds shall be subject to prepayment or optional redemption prior to maturity as a whole or in part and at such times and prices as shall be determined by a Delegate and set forth in the related Bond Sale Agreement; provided, however, that the Bonds shall not be subject to prepayment or redemption prior to their stated maturities as described above without first obtaining the written consent of the registered owner of the Bonds, which consent shall not be unreasonably withheld. Notice of any such prepayment or redemption shall be given by the Bond Registrar to the registered owner by registered mail not more than ninety (90) and not less than sixty (60) days before the date fixed for prepayment or redemption.

7. **Execution of the Bonds.** The Board Chair or Vice Chair and the Clerk or any Deputy Clerk of the Board are hereby authorized and directed to execute and deliver the Bonds, and to affix the seal of the County thereon.

8. **Pledge of Full Faith and Credit.** For the prompt payment of the principal of and premium, if any, and the interest on the Bonds, as the same shall become due, the full faith and credit of the County are hereby irrevocably pledged, and in each year while any of the Bonds shall be outstanding there shall be levied and collected in accordance with law an annual ad valorem tax upon all taxable property in the County subject to local taxation sufficient in amount to provide for the payment of the principal of and premium, if any, and the interest on the Bonds, as such principal, premium, if any, and interest shall become due, which tax shall be without limitation as to rate or amount and in addition to all other taxes authorized to be levied in the County to the extent other funds of the County are not lawfully available and appropriated for such purpose.

9. **Tax Compliance Agreement.** The Board Chair, the County Executive and the Director of Finance, any of whom may act, and such officer or officers of the County as any of

them may designate, are hereby authorized and directed to execute a Use of Proceeds Certificate and Tax Compliance Agreement (the "Tax Compliance Agreement") each setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to show compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations relating to the exclusion from gross income of interest on the Bonds and on the VPSA Bonds. The Board covenants on behalf of the County that (i) the proceeds from the issuance and sale of the Bonds will be invested and expended as set forth in such Tax Compliance Agreement and that the County shall comply with the other covenants and representations contained therein and (ii) the County shall comply with the provisions of the Code so that interest on the Bonds and the VPSA Bonds will remain excludable from gross income for federal income tax purposes.

10. **Reimbursement Declaration.** The County has made and expects to make out of temporary funds certain expenditures in connection with the School Projects for which the County reasonably expects to be reimbursed as permitted by Treasury Regulation Section 1.150-2 issued pursuant to the Code, from the proceeds of the Bonds issued in an aggregate principal amount presently estimated not to exceed \$45,895,000. The County will make a reimbursement allocation, which is a written allocation by the County that evidences the County's use of proceeds of the Bonds to reimburse such expenditures, no later than 18 months after the later of the date on which the expenditure is paid or the School Projects are placed in service or abandoned, but in no event more than three years after the date on which the expenditure is paid.

11. **State Non-Arbitrage Program.** The Board hereby determines that it is in the best interests of the County to authorize and direct the Director of Finance to participate in the State Non-Arbitrage Program ("SNAP") in connection with the Bonds. A Delegate is authorized to create an account with SNAP for the receipt of the proceeds of the Bonds.

12. **Tax Certificate and Elections.** The Board Chair, the County Executive and the Director of Finance, any one of whom may act and such officer or officers of the County as any of them may designate, are authorized and directed to execute appropriate certificates setting forth the expected use and investment of the proceeds of the Bonds and any elections such officers deem desirable regarding rebate of earnings to the United States, for purposes of complying with the Code. Such certificate and elections shall be in such form as may be requested by bond counsel for the County.

13. **Continuing Disclosure Agreement.** The Board approves the form of the Continuing Disclosure Agreement in substantially the form presented to this meeting with such completions, omissions, insertions and changes as may be approved by the Board Chair, the County Executive or the Director of Finance, any of whom may act, as the same shall be evidenced conclusively by the execution thereof, which is hereby authorized. On behalf of the County, the Board covenants and agrees, for the benefit of the holders of the VPSA Bonds, pursuant to the terms of the Continuing Disclosure Agreement in accordance with and as required by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 ("Rule 15c2-12") to provide or cause to be provided to The Electronic Municipal Market Access

System ("EMMA") administered by the Municipal Securities Rulemaking Board annual financial information and operating data for the County, including audited financial statements of the County, for each fiscal year, beginning with the fiscal year ended on June 30, 2020, in a timely manner, and to EMMA notices of certain events with respect the Bonds, if material, including (a) notices of certain events set forth in Rule 15c2-12 with respect to such Bonds; and (b) notice of any failure to provide such required information.

14. **County Information.** The Board authorizes and directs its staff to work with VPSA to cause the distribution and use of a Preliminary Official Statement for the VPSA Bonds and delivery of a final Official Statement (collectively with the Preliminary Official Statement, the "Official Statements") to the winning bidder or underwriter of the VPSA Bonds. The County Information to be provided as an Appendix or Appendices to the Official Statements is hereby approved in the form submitted to this meeting, with such completions, omissions, insertions and changes as may be approved by the County Executive or the County's Director of Finance in order to provide the most updated and accurate County Information as of the date of the Official Statements.

15. **Filing of Resolution.** The appropriate officers or agents of the County are hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of the County.

16. **Further Actions.** The members of the Board and all officers, employees and agents of the County are hereby authorized to take such action as they or any one of them may consider necessary or desirable in connection with the issuance and sale of the Bonds and any such action previously taken is hereby ratified and confirmed.

17. **Effective Date.** This Resolution shall take effect immediately.

ATTACHMENTS: Exhibit A – Form of Bond
Exhibit B – School Project Descriptions
Bond Sale Agreement
Continuing Disclosure Agreement
County Information

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

ATTEST: _____



Clerk to the Board

EXHIBIT A
(FORM OF BOND)

NO. TR-1

\$_____

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
PRINCE WILLIAM COUNTY
General Obligation School Bond
Series 2020 [2021]

PRINCE WILLIAM COUNTY, VIRGINIA (the "County"), for value received, hereby acknowledges itself indebted and promises to pay to the **VIRGINIA PUBLIC SCHOOL AUTHORITY** the principal amount of _____ DOLLARS (\$_____), in annual installments in the amounts set forth on Schedule I attached hereto payable on _____ and annually on _____ thereafter to and including _____ (each a "Principal Payment Date"), together with interest from the date of this Bond on the unpaid installments, payable semi-annually on _____ and _____ of each year, commencing on _____ (each an "Interest Payment Date"; together with any Principal Payment Date, a "Payment Date"), at the rates per annum set forth on Schedule I attached hereto, subject to prepayment or redemption as hereinafter provided. Both principal of and interest on this Bond are payable in lawful money of the United States of America.

For as long as the Virginia Public School Authority is the registered owner of this Bond, U.S. Bank National Association, as bond registrar (the "Bond Registrar"), shall make all payments of principal, premium, if any, and interest on this Bond, without the presentation or surrender hereof, to the Virginia Public School Authority, in immediately available funds at or before 11:00 a.m. on the applicable Payment Date or date fixed for prepayment or redemption. If a Payment Date or date fixed for prepayment or redemption is not a business day for banks in the Commonwealth of Virginia or for the Commonwealth of Virginia, then the payment of principal, premium, if any, or interest on this Bond shall be made in immediately available funds at or before 11:00 a.m. on the business day next succeeding the scheduled Payment Date or date fixed for prepayment or redemption. Upon receipt by the registered owner of this Bond of said payments of principal, premium, if any, and interest, written acknowledgment of the receipt thereof shall be given promptly to the Bond Registrar, and the County shall be fully discharged of its obligation on this Bond to the extent of the payment so made. Upon final payment, this Bond shall be surrendered to the Bond Registrar for cancellation.

The full faith and credit of the County are irrevocably pledged for the payment of the principal of and the premium, if any, and interest on this Bond. The resolution adopted by the Board of Supervisors authorizing the issuance of this Bond provides, and Section 15.2-2624, Code of Virginia 1950, as amended, requires, that there shall be levied and collected an annual tax upon all taxable property in the County subject to local taxation sufficient to provide for the payment of the principal, premium, if any, and interest on this Bond as the same shall become due which tax shall be without limitation as to rate or amount and shall be in addition to all other taxes authorized to be levied in the

County to the extent other funds of the County are not lawfully available and appropriated for such purpose.

This Bond is duly authorized and issued in compliance with and pursuant to the Constitution and laws of the Commonwealth of Virginia, including the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia 1950, as amended, and resolutions duly adopted by the Board of County Supervisors of the County and the School Board of the County to provide funds for capital projects for school purposes.

This Bond may be exchanged without cost, on twenty (20) days' written notice from the Virginia Public School Authority, at the office of the Bond Registrar on one or more occasions for one or more temporary bonds or definitive bonds in marketable form and, in any case, in fully registered form, in denominations of \$5,000 and whole multiples thereof, and having an equal aggregate principal amount, having principal installments or maturities and bearing interest at rates corresponding to the maturities of and the interest rates on the installments of principal of this Bond then unpaid. This Bond is registered in the name of the Virginia Public School Authority on the books of the County kept by the Bond Registrar, and the transfer of this Bond may be effected by the registered owner of this Bond only upon due execution of an assignment by such registered owner. Upon receipt of such assignment and the surrender of this Bond, the Bond Registrar shall exchange this Bond for definitive Bond[s] as hereinabove provided, such definitive Bond[s] to be registered on such registration books in the name of the assignee or assignees named in such assignment.

[Insert Make-Whole Redemption Provisions, if applicable] [The principal installments of this Bond coming due on or before _____, and the definitive Bond[s] for which this Bond may be exchanged that mature on or before _____, are not subject to prepayment or redemption prior to their stated maturities. The principal installments of this Bond coming due after _____, and the definitive Bond[s] for which this Bond may be exchanged that mature after _____, are subject to prepayment or redemption at the option of the County prior to their stated maturities in whole or in part, on any date on or after _____, at a redemption price equal to the principal amount of the principal installments to be prepaid or redeemed plus accrued interest to the date set for prepayment or redemption]; provided, however, that the Bond shall not be subject to prepayment or redemption prior to their stated maturities as described above without the prior written consent of the registered owner of the Bond, which consent shall not be unreasonably withheld. Notice of any such prepayment or redemption shall be given by the Bond Registrar to the registered owner by registered mail not more than ninety (90) and not less than sixty (60) days before the date fixed for prepayment or redemption.

All acts, conditions and things required by the Constitution and laws of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed in due time, form and manner as so required, and this Bond, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the Prince William Board of County Supervisors of Prince William County, Virginia, has caused this Bond to be issued in the name of the Prince William County, Virginia, to be signed by its Chair or Vice-Chair, its seal to be affixed hereto and attested by the signature of its Clerk or any of its Deputy Clerks, and this Bond to be dated _____, 20__.

PRINCE WILLIAM COUNTY, VIRGINIA

By: _____
Chair, Prince William Board of County Supervisors,
Prince William County, Virginia

(SEAL)

ATTEST:

Clerk, Prince William Board of County Supervisors,
Prince William County, 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 irrevocably constitutes and appoints _____ attorney to exchange said Bond for definitive bonds in lieu of which this Bond is issued and to register the transfer of such definitive bonds on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Registered Owner

Signature Guaranteed:

(NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Bond Registrar, which requirements include Membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

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

EXHIBIT B
(SCHOOL PROJECT DESCRIPTIONS)

A. Middle School (Potomac Shores) – New Construction – school construction of an approximately 197,954 square foot steel frame and load-bearing masonry 3-story structure with masonry exterior and roofing system as indicated. Outbuilding, sports fields, site and road improvements, interior finishes, casework, systems, utilities, and miscellaneous site work are also included. This school will be located on Woods View Drive in the Potomac Magisterial District. Cost-\$20,559,500

B. Gainesville High School – New Construction – school construction of a 347,600 +/- square foot one and two-story steel frame and masonry structure designed to house approximately 2,557 students, including site work and all furnishings. This school will be located on the future University Boulevard in the Brentsville Magisterial District. Cost-\$52,000,000

C. Unity Reed High School -- Office /Admin Area Renovation – renovation of interior improvements. This school is located on Rixlew Lane in the Brentsville Magisterial District. Cost-\$1,000,000

D. Osbourn Park High School -- Office /Admin Area Renovation – renovation of interior improvements. This school is located on Euclid Avenue in the Coles Magisterial District. Cost-\$1,000,000

E. Penn Elementary School – Renovation — renovation of 86,304 square foot existing building. Interior finishes, casework, systems, utilities, and miscellaneous site work are also included. This school is located on Queen Chapel Road in the Neabsco Magisterial District. Cost-\$9,229,500

F. Hylton High School – Renovation —renovation of an approximately 282,000 square-foot steel frame and masonry structure with masonry exterior and roofing system as indicated. Interior finishes, casework, systems, utilities, and miscellaneous site work are also included. This school is located on Spriggs Road in the Coles Magisterial District. Cost-\$24,429,000

G. Architectural and Engineering Design Services—preparation of construction documents for school construction, classroom additions, and other improvements at the following schools:

Elementary School (Rosemount Lewis) Cost-\$3,200,000
Gainesville Middle School Addition [11 rooms] Cost-\$700,000
Reagan Middle School Addition [6 rooms] Cost-\$657,000
Osbourn Park High School – Fenestration Improvements Cost-1,600,000
Unity Reed High School – Fenestration Improvements. Cost-\$1,600,000

VIRGINIA PUBLIC SCHOOL AUTHORITY

BOND SALE AGREEMENT

Name of County, City or Town (the "Locality"): **COUNTY OF PRINCE WILLIAM,
VIRGINIA**

VPSA Sale Date: Expected to be on or about _____, 2020

Closing Date: Expected to be on or about _____, 2020

Proceeds Requested: \$115,975,000

Maximum Authorized Par Amount: \$119,450,000

Amortization Period: 20 years

1. The Virginia Public School Authority ("VPSA") hereby offers to purchase, solely from the proceeds of VPSA's Special Obligation School Financing Bonds, Prince William County Series 2020 (the "VPSA Bonds"), your general obligation school bond and local school bond at a price, determined by VPSA to be within the parameters set forth in your local resolution (as defined below), that is substantially equal to your Proceeds Requested set forth above (as authorized by your local resolution). The sale date of the VPSA Bonds is tentatively scheduled for _____, 2020 but may occur, subject to market conditions, at any time (the "VPSA Sale Date").
2. You represent that on or before _____, 2020, your local governing body will have duly authorized the issuance of your local school bond by adopting a resolution authorizing the issuance and sale of the general obligation school bond of the County of Prince William, Virginia (the "local resolution") and that your local school bond will be in the form set forth in the local resolution. Any changes that you or your counsel wish to make to the form of the local resolution and/or your local school bond must be approved by VPSA prior to adoption of the local resolution by your local governing body. You represent that a certified copy of the local resolution was filed with the Circuit Court for the County of Prince William, Virginia on _____, 2020.
3. You hereby covenant that you will comply with and carry out all of the provisions of the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") substantially in the form of the Continuing Disclosure Agreement appearing as Appendix C to the Preliminary Official Statement relating to the VPSA Bonds, which agreement is hereby incorporated by reference herein and expressly made a part hereof for all purposes. For purposes of the VPSA Bonds, you hereby acknowledge that you will be considered a Material Obligated Person and you represent and warrant that as of each of (A) the date of VPSA's Preliminary Official Statement (expected to be _____, 2020), (B) the date of VPSA's applicable final Official Statement to be dated the sale date of the VPSA Bonds and (C) the date of delivery of the VPSA Bonds (in the case of this sale, expected to be _____, 2020) the information relating to the County of Prince William,

Virginia in the Preliminary and final Official Statements, including Appendices A and B thereto ("Your Information"), will be true and correct and will not contain any untrue statement of a material fact or omit to state a material fact which should be included in Your Information or which is necessary to make the statements contained in such information, in light of the circumstances under which they were made, not misleading. You further agree to furnish to VPSA a copy of all continuing disclosure and material event notices filings you make pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), subsequent to the date of this Bond Sale Agreement. Such copy will be furnished to VPSA on the same date any such filing is made.

4. VPSA's commitment to purchase your local school bond is contingent upon (a) your compliance with the terms of this Bond Sale Agreement and (b) VPSA's receipt on the Closing Date of:

(1) your local school bond which shall include and reflect the terms and provisions thereof as described in the Preliminary Official Statement and in Appendix A hereto,

(2) certified copies of the local resolution and the school board resolution,

(3) an executed copy of a Use of Proceeds Certificate and Tax Compliance Agreement (the "Tax Compliance Agreement") in form and substance acceptable to VPSA,

(4) certificates of your County Executive and Director of Finance, dated the date of the delivery of the VPSA Bonds, to the effect that (i) Your Information was as of the date of VPSA's Preliminary and final Official Statements, and is as of the date of the certificate which shall be dated the closing date, true and correct and did not and does not contain an untrue statement of a material fact or omit to state a material fact which should be included in Your Information for the purpose for which it is included by specific reference therein or which is necessary to make the statements contained in such information, in light of the circumstances under which they were made, not misleading, and (ii) except as set forth in the Preliminary and final Official Statements, you have, for the past five years, complied in all material respects with your prior undertakings made pursuant to the Rule,

(5) such items as the Underwriters of the VPSA Bonds may reasonably request,

(6) an approving legal opinion from your bond counsel in form satisfactory to VPSA that (i) the local school bond is a valid and binding general obligation of the Locality, (ii) based on representations of the Locality and its school board, under current law, the local school bond will not be a "private activity bond" within the meaning of Section 141(a) of the Internal Revenue Code of 1986, as amended, (iii) pursuant to current Virginia law, the interest on the local school bond is excluded from Virginia taxable income for purposes of the individual income tax and the income taxation of corporations by the Commonwealth of Virginia, (iv) the terms and provisions of the local

school bond conform to the requirements of this Bond Sale Agreement, and (v) this Bond Sale Agreement, the Tax Compliance Agreement and the Continuing Disclosure Agreement are valid, binding and enforceable in accordance with their terms,

(7) a transcript of the other customary closing documents not listed above, and

(8) VPSA's receipt of the proceeds of the VPSA Bonds.

5. One complete original transcript of the documents listed above shall be provided by your counsel to McGuireWoods LLP, bond counsel to VPSA, on the Closing Date or, with VPSA's permission, as soon as practicable thereafter but in no event more than thirty (30) business days after the Closing Date.
6. Subject to the conditions described in Section 4 hereto, this Bond Sale Agreement shall become binding as of the later of the VPSA Sale Date and the date you execute this Bond Sale Agreement.

[Signature Page Follows]

Dated as of _____, 2020.

**VIRGINIA PUBLIC SCHOOL
AUTHORITY**

**COUNTY OF PRINCE WILLIAM,
VIRGINIA**

By: _____
Authorized VPSA Representative

By: _____
Name: Michelle L. Attreed
Title: Director of Finance

APPENDIX A

TERMS AND CONDITIONS OF THE LOCAL SCHOOL BOND

(To be attached after the sale date)

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement"), dated as of _____, 2020, is executed and delivered by Prince William County, Virginia (the "County") in connection with the issuance by the Virginia Public School Authority (the "Authority"), of \$ _____¹ principal amount of the Authority's Special Obligation School Financing Bonds, Prince William County Series 2020 (the "VPSA Bonds"), dated _____, 2020, and pursuant to a resolution adopted by the Board of County Supervisors of the County on _____, 2020 (the "Resolution"). The proceeds of the VPSA Bonds are being used by the Authority to purchase the General Obligation School Bond of the County pursuant to a bond sale agreement between the Authority and the County (the "Bond Sale Agreement"). Capitalized terms used in this Agreement shall have the respective meanings specified above or in Article I hereof. Pursuant to the Bond Sale Agreement and the Resolution, the County hereby agrees as follows:

ARTICLE I DEFINITIONS

1.1 Definitions. The following terms used in this Agreement shall have the following respective meanings:

"Annual Financial Information" means, collectively, (1) the financial information and operating data with respect to the County for each fiscal year of the type described in Appendix A to the Official Statement relating to the VPSA Bonds, dated _____, 2020 in the tables captioned "Assessed and Estimated Market Value of Taxable Property," "Taxable Retail Sales," "General Fund Revenues, Expenditures, Transfers and Changes in Fund Balance," "General Fund Tax Revenues by Source," "Real Property Tax Levies and Collections," "Property Tax Rates per \$100 of Assessed Value," "General Fund Balances," "Net Tax Supported Debt Outstanding," and "Debt Service by Fiscal Year," and (2) information regarding any amendments to this Agreement required pursuant to Sections 4.2(c) and (d) of this Agreement. Annual Financial Information shall include Audited Financial Statements, if available, or Unaudited Financial Statements.

The descriptions contained in clause (1) above of financial information and operating data constituting Annual Financial Information are of general categories of financial information and operating data. Where such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information.

"Audited Financial Statements" means the annual financial statements, if any, of the County, audited by such auditor as shall then be required or permitted by State law or the Resolution. Audited Financial Statements shall be prepared in accordance with GAAP for governmental units as prescribed by GASB; provided, however, that the County may from time to time, if required by federal or State legal requirements, modify the basis upon which its financial statements are prepared. Notice of any such modification shall be provided to EMMA, and shall include a reference to the specific federal or State law or regulation describing such accounting basis.

"Counsel" means a nationally recognized bond counsel or counsel expert in federal securities laws, acceptable to the County.

"EMMA" means the MSRB's Electronic Municipal Market Access system, the current Internet address of which is <http://emma.msrb.org>, and any successor thereto.

"Event Notice" means a notice of a Notice Event.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

¹ Preliminary, subject to change.

APPENDIX A

CERTAIN INFORMATION REGARDING PRINCE WILLIAM COUNTY, VIRGINIA

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APPENDIX A

CERTAIN INFORMATION REGARDING PRINCE WILLIAM COUNTY, VIRGINIA

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SECTION I - THE COUNTY

Certain financial and operating data contained herein are as of the dates and for the periods indicated, many of which were prior to the outbreak of the COVID-19 pandemic. Such historical financial and operating data have not been updated to reflect any potential impacts of the COVID-19 pandemic on the County's general economic and financial condition. See also "GOVERNMENTAL SERVICES - COVID-19 Matters" below.

GENERAL INFORMATION

Prince William County, Virginia (the "County"), was organized in 1731 by the Virginia General Assembly. The County, part of the Metropolitan Washington, D.C. area, is located in Northern Virginia, less than 25 miles southwest of Washington, D.C., and encompasses an area of 348 square miles. The combined area of the County and the independent cities within its boundaries is 360 square miles. Approximately 18.7 percent of land area within the County is owned by the federal government, including the Manassas National Battlefield Park, Prince William Forest Park and a portion of Marine Corps Base Quantico.

According to the U.S. Census Bureau 2010 census, the County had the second largest population (402,002) of any county in the Commonwealth of Virginia (the "Commonwealth") and is one of its most rapidly growing jurisdictions. The current population is estimated by the County Demographer at 467,935 (as of June 30, 2020).

Form and Organization of Government

Since 1972, the County has operated under the County Executive form of government, as provided for in Sections 15.2-500 *et seq.* of the Code of Virginia of 1950, as amended. The governing body of the County is an eight-member Board of County Supervisors (the "Board"). Residents in each of the County's seven magisterial districts elect one member of the Board to serve a term of four years. The eighth member of the Board is elected at-large by County residents to serve a four-year term as Chair. The current members of the Board were elected on November 5, 2019, and took office on January 1, 2020. The current terms of all Board members will expire on December 31, 2023.

The Board appoints a County Executive to act as the County government's chief administrative officer. The County Executive serves at the pleasure of the Board, implements its policies, provides organizational leadership for addressing major issues, directs business and administrative procedures, and recommends department heads for appointment by the Board. The County Executive is assisted by three Deputy County Executives and the Directors of each of the agencies, departments, and offices. The Board also appoints a County Attorney to provide legal advice to the Board, agencies, departments, and offices of the County government.

In addition to the members of the Board, County residents elect three constitutional officers, the Clerk of the Circuit Court for a term of eight years, and the Sheriff and the Commonwealth's Attorney, each for terms of four years. The Judges of the Circuit Court, the General District Court, and the Juvenile and Domestic Relations District Court are elected by the

Virginia General Assembly. Unlike most other Virginia counties, County residents do not elect a Treasurer or a Commissioner of the Revenue. The County Director of Finance/CFO, who is appointed by the Board, carries out the responsibilities of these officers.

In addition, the Board maintains a robust Internal Audit function and two audit committees, the Board Audit Committee (“BAC”) and the Joint Audit Committee of the County Government and Schools (“JAC”). The Internal Audit function provides an independent assessment of operations, activities, and internal controls within Prince William County Government. The Internal Audit function assists the County in accomplishing its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of the organization’s risk management, internal control, and governance processes. The BAC and JAC provide oversight of the County’s internal and external audit functions, respectively.

The administrative offices of the County are located at 1 County Complex Court, Prince William, Virginia 22192. The central telephone number for the County’s administrative offices is (703) 792-6000. The County’s website is <http://www.pwcgov.org>.

Political Subdivisions

In Virginia, cities and counties are not overlapping units of government. Manassas and Manassas Park are two independent cities (collectively, the “Cities”) within the geographic boundaries of the County. On May 1, 1975, the former Town of Manassas was incorporated as a city, and on June 1, 1975, the former Town of Manassas Park was incorporated as a city.

Property within the Cities is not subject to taxation by the County, and the County generally is not required to provide governmental services to the residents of the Cities. The County, however, does provide community services to the residents of these Cities pursuant to intergovernmental agreements, which provide for compensation to the County for these services. Additionally, the County provides library services to the City of Manassas.

Four incorporated towns are located within the County: Dumfries, Haymarket, Occoquan and Quantico (collectively, the “Towns”). Although the Towns are separate units of government, the ordinances and regulations of the County, subject to certain limitations prescribed by Virginia law, are effective therein. Property in the Towns is subject to County taxation, and the County provides certain services to the residents of the Towns. The Towns may incur general obligation bonded indebtedness without the prior approval of the County (See Section III - DEBT ADMINISTRATION - OTHER COUNTY-RELATED INDEBTEDNESS).

Boards and Authorities of the County

The Board appoints members to numerous separate boards, committees, and commissions that establish policies, advise, or administer in operations of certain services, including the Prince William County Service Authority (the “Service Authority”). The Service Authority, a separate and independent entity, was created in 1983 pursuant to the Virginia Water and Waste Authorities Act to assume responsibility for water and sewer operations of several sanitary districts and is governed by an eight-member board of directors. The County’s Department of Parks, Recreation and Tourism (“DPRT”) also has an advisory board with members appointed by the Board to assist

in identifying various recreational programs for County residents. By Board action on August 4, 2020, the County transferred the management of its public libraries from a system governed by a board of trustees appointed by the Board to a County department under the governance of the Board. The board of trustees was converted into an advisory board with members appointed by the Board. There were no changes in the operation and functions of the public libraries.

Several sanitary districts were created in the past to provide water and sewer services to various areas of the County. These sanitary districts included the Occoquan Woodbridge/Dumfries Triangle Sanitary District (“OWDT”), the Greater Manassas Sanitary District (“GMSD”) (which included the Yorkshire Sanitary District), the Nokesville Sanitary District, the Oak Ridge Sanitary District, the Occoquan Forest Sanitary District and the Bull Run Mountain Sanitary District. The functions of these sanitary districts have been assumed by the Service Authority and although they still exist, such sanitary districts are effectively dormant. The Dale City Sanitary District operated an indoor recreational facility which is now operated by the County DPRT. The Dale City Sanitary District also still exists but is effectively dormant. The Lake Jackson Sanitary District was established, along with the Lake Jackson Service District, to provide road maintenance in the Lake Jackson community. The governing body of all sanitary districts is the Board. A sanitary district may incur indebtedness; however, such indebtedness is not an obligation of the County, but solely of the sanitary district. The Board, as the governing body of the sanitary districts, establishes charges for services provided and levies annual property taxes within the districts to fund the operations and to pay debt service on outstanding bonds.

The operation of public schools in the County is vested in an eight-member, elected School Board (the “School Board”). Members of the School Board are elected for four-year terms, and the terms of the current members expire December 31, 2023. The School Board does not have the authority to levy taxes or issue bonds, and therefore, the local share of the cost of operating public schools in the County is provided by an appropriation and transfer of funds by the Board from the County’s General Fund. Operations of the School Board, however, are independent of the Board and the County administration as prescribed by Commonwealth of Virginia law. A Superintendent is appointed by the School Board to oversee the operations of the County’s public schools.

Certain County Administrative Staff Members

CHRISTOPHER E. MARTINO was appointed County Executive beginning in September 2016. Mr. Martino had served as Acting County Executive since January 2016 and Deputy County Executive since March 2010. In addition, he also served as the County’s Finance Director from 1996 to 2010. Before joining the County, Mr. Martino served as Comptroller of the City of Rye, New York for eight years. Mr. Martino’s professional experience also includes serving as Deputy Commissioner of Finance for the City of White Plains, New York and working as an auditor for Ernst & Whinney and Texaco, Inc. Mr. Martino is a Certified Public Accountant. He holds a Bachelor of Accounting from Franklin & Marshall College and a Master of Business Administration in Finance from the Stern School of Business at New York University.

ELIJAH T. JOHNSON was appointed Deputy County Executive in October 2014. In this position, he is responsible for providing administrative oversight of Prince William County’s human services agencies, including Community Services, Area Agency on Aging, Office of Criminal Justice Services, Department of Social Services and the Office of Housing and

Community Development. He is also the liaison with the following state-supported human services agencies: Prince William Area Public Health District, Juvenile Court Service Units and Virginia Cooperative Extension. He also works with the many community organizations who provide invaluable service for Prince William County residents. Prior to accepting his current position, Mr. Johnson served as Prince William County's Director for the Office of Housing and Community Development (OHCD) for seven years. Prior to joining Prince William County, Mr. Johnson worked for Alexandria Redevelopment and Housing Authority, Arlington County's Department of Human Services Housing Office and New York City Housing Authority. He is a graduate of Hampton University with a B.A. in Mathematics.

MICHELLE A. CASCIATO was appointed Deputy County Executive in November 2016. In this position, she coordinates the County's financial, technology and human resource functions, supporting the delivery of public services consistent with the County's strategic goals. She is also the County liaison with the Prince William County Public Schools. The public libraries existed as a system prior to the Board's conversion of the System to a County Department with Board action on August 4, 2020. Ms. Casciato now coordinates the functions supporting the Library Department. Her previous government service for the County includes Director of the Office of Management and Budget and Neighborhood Services Division Chief. Prior to entering the public sector, Ms. Casciato was vice president of a large real estate management firm in the Washington D.C. metropolitan area. Ms. Casciato earned a B.A. from Cornell University and both a Master of Public Administration and Ph.D. in Political Science from George Mason University. She is an adjunct instructor at the GMU Schar School of Policy and Government.

REBECCA HORNER was appointed Deputy County Executive in January 2020. Ms. Horner has an extensive background and experience in public sector planning and community development. Since 2017, she has served as the director of the County's Planning Office. Before that, she was the Assistant Director for the Planning Office after serving as the manager of the county's Current Planning Division. Prior to coming to Prince William County, Ms. Horner worked as a Senior Planner for Fairfax County, the Director of the Planning and Building Department for Sarpy County, Nebraska, and the Assistant to the Director in the Planning Department in the City of Papillion, Nebraska.

MICHELLE L. ATTREED was appointed Director of Finance/CFO in May 2014. Prior to this appointment she served as the County's Deputy Finance Director since March 2012 and has worked for the County since 1993. She oversees staff for the areas of Procurement Services, Financial Reporting and Control, Payroll and Disbursements, Real Estate Assessments, Taxpayer Services, Risk and Wellness Services, Financial Systems Services and Treasury Management. Prior to her appointment as Deputy Finance Director in 2012, she served as the County's Financial Reporting and Control Division Chief with responsibility over Payroll, Accounts Payable and Financial Reporting. Her professional experience includes working as a Senior Auditor with Stokes & Company, P.C. and as a staff auditor with the U.S. General Accounting Office. Ms. Attreed received her undergraduate degree from Virginia Polytechnic Institute and State University (Virginia Tech) and her Master of Public Administration from George Mason University, receiving the John D.R. Cole Award for Outstanding MPA Student. In 2019, she received a Lifetime Achievement Award from the Virginia Women in Public Finance. Ms. Attreed is a Certified Public Accountant, a member of the American Institute of Certified Public

Accountants, Government Finance Officers Association, and Virginia Government Finance Officers Association.

MICHELLE R. ROBL was appointed as County Attorney for the County by the Board of County Supervisors in December 2015. She has worked for the County in the County Attorney's Office since 1993. She had served as Acting County Attorney since June 2015 and Deputy County Attorney for six years before being named Acting County Attorney. She represents the Board and various County agencies before all levels of the Commonwealth and federal courts and administrative bodies, in various local government areas such as employment discrimination and personnel law, law enforcement and internal affairs issues, child abuse and neglect law, land use, contract matters, and general liability defense. She earned her Juris Doctor degree from the George Mason University School of Law and her undergraduate degree from Virginia Tech. Among other affiliations, she is on the Board of Directors of the Local Government Attorneys Association of Virginia, and is Past Chair, Vice-Chair and Secretary to the Virginia State Bar Fifth District Section III Disciplinary Committee.

CHRISTINA WINN was appointed as the Executive Director of the Department of Economic Development in June 2019. Prior to joining Prince William, she led Arlington County's efforts in business retention, national recruitment, entrepreneur support, and catalyzing the innovation economy. Ms. Winn received her B.S. in Economics from Arizona State University and a M.S. in Real Estate Development from Johns Hopkins University.

STEVEN L. WALTZ has served as the Superintendent of Prince William County Public Schools since July 2005. Dr. Walts previously served as Superintendent of Schools in Greece, New York, from 1998 to 2005. He also was an Adjunct Professor and Program Coordinator for the Canisius College administrative programs taught in Greece. From 1992 to 1998, he served in Baltimore County, Maryland as the Assistant Superintendent, Northwest Area, and as the Assistant Superintendent/Executive Director, Department of Human Resources. He received his undergraduate and master's degrees from Wichita State University. Dr. Walts received his Ph.D. in Education Policy and Leadership from the University of Maryland in 2002.

GOVERNMENTAL SERVICES

The County provides a full range of local government services, reflecting both its form of government under Commonwealth law and its increasingly urban character. The mission of the County Government is to provide the necessary services to protect the health, welfare, safety and environment of citizens, consistent with the community's values and priorities. This mission is accomplished by: encouraging citizen input and involvement; preserving the County's fiscal stability; producing effective and efficient government programs; managing the County's resources; planning for the future; and representing citizens' needs and desires to other levels of government. The discussion that follows outlines several services that the County provides to its citizens and services provided in conjunction with other governmental entities.

General Government Administration

Executive Management: The Office of Executive Management (“OEM”) provides leadership and executive management direction to achieve the goals and policies of the Board and oversees the day-to-day operations of the government. The functions of this office include overall management and policy development, administrative support to the Board, dissemination of citizen and community information, administration of affirmative action and equal employment opportunity, intergovernmental relations, and coordination of appropriate federal, Commonwealth, regional and local initiatives to further the County’s Comprehensive and Strategic Plans.

Budget Management: The Office of Management and Budget (“OMB”) is responsible for managing the County’s resources consistent with the current Adopted Fiscal Year Budget, Five-Year Fiscal Plan, and the Six-Year Capital Improvement Program in addition to the Strategic Plan. OMB develops and monitors the County’s operating and capital budgets, evaluates agency programs and operations, provides performance measurement and management reporting, and offers management consulting to County departments. The County’s Adopted Fiscal Year Budget has earned the Government Finance Officers Association (“GFOA”) Distinguished Budget Presentation Award for 33 consecutive years.

Financial Management: The Department of Finance promotes excellence, quality, and efficiency by maximizing available resources and providing innovative financial and risk management services to a broad range of internal and external customers through sound financial management practices and a commitment to maintaining fiscal integrity and financial solvency of the County government. The Department of Finance is comprised of the following divisions: Financial Reporting and Control, which maintains the County’s financial records and internal controls; Payroll and Disbursements, which coordinates disbursements to vendors and employees; Taxpayer Services, which assesses personal property and gross receipts taxes, and bills, collects and records all County revenues; Real Estate Assessments, which appraises all real property and administers tax relief programs; Purchasing, which administers procurement of all goods and services for the County, and develops and monitors compliance with purchasing regulations; Treasury Management, which provides annual revenue estimates for general County revenues, coordinates debt financing for capital projects, and manages the investment of and banking services for County funds; Risk and Wellness Services, which manages the County’s occupational safety, health, wellness, environmental, and workers’ compensation and casualty pool self-insurance and other insurance programs; and Financial Systems, which maintains the functionality of the County’s financial management and tax administration systems. The County’s Comprehensive Annual Financial Report and Popular Annual Financial Report have earned the GFOA Certificate of Achievement for Excellence in Financial Reporting and Award for Outstanding Popular Annual Financial Reporting for 38 and 13 consecutive years, respectively.

Human Resources: Human Resources leads the County’s efforts to attract, recruit, motivate, and retain high-performing employees in support of the County’s vision, values and strategic goals.

Legal Services: The County Attorney provides legal counsel, advice, and representation to the Board, County Executive, officers, and employees of the County in the performance of their duties. This includes matters involving land use and zoning, leases and contract negotiations, bond

financing, grant applications, deed preparation and review, collection of delinquent County taxes and other delinquent accounts, and personnel matters, including workers' compensation, and the drafting of ordinances, policies, and proposed legislation. The County Attorney also provides legal counsel, advice, and representation to various boards and commissions appointed by the Board.

Technology Support Services: The Department of Information Technology ("DoIT") is responsible for providing all aspects of Information Technology ("IT") across the County including strategic planning, asset management, eGovernment, Geographic Information Systems, information technology governance and policies, information security and access control, voice and data infrastructure and support, operations data center, public safety radio systems, desktop, laptop, tablet, mobile data computer devices, and full life-cycle enterprise application management. DoIT also provides guidance and support for cyber security, disaster recovery, and IT strategic planning initiatives. Security efforts remain critical as County's technology investments require constant security protection. Local governments face a challenging task of protecting their infrastructure and data. The County is meeting this challenge by focusing efforts on new technology, enhanced teamwork, employee training, and insuring against losses. Designing enterprise communications to meet these demands is an ongoing commitment. The goal of this commitment is improved policies, systems and data security. Innovations from the technology industry include fiber, 5G infrastructure and the Internet of Things. The support and development of high-speed connectivity provides opportunities within many industries, including public safety, emergency response, data centers, transportation, economic development, etc. DoIT is pursuing technology modernization efforts to capitalize on industry best practices to deliver platforms for community and government innovation.

The County spent \$2.4 million on cyber security and IT Policy in fiscal year 2019. Ninety eight percent of the County's workforce completed cyber awareness course beginning in fiscal year 2019 and is required to take the course annually. To date, there have been no material breaches of the County's cyber security. The County's technology infrastructure capital investment projects for prevention of cyber security attacks was budgeted at \$24.9 million in fiscal years 2019 – 2021. These projects include duplicate infrastructure, migration to cloud/off-premise solutions, use of a Tier 4 data center, Cisco Cloud email security, mandated employee education, daily backup of files, movement toward multi-factor authentication, robust internal audit testing of IT functions, and other proprietary technology security solutions and best practices from the IT industry. These cyber-security expenditures are separate from the ongoing County's IT operations, which are budgeted at \$40,330,908 for fiscal year 2021. This number has been increased from the fiscal year 2020 County's IT operation expenditure of \$40.1 million. Fiscal year 2019 expenditure was \$31.8 million.

Public Safety

Police Services: The County's Police Department (the "Police Department") is a law enforcement agency, nationally accredited by the Commission on Accreditation for Law Enforcement Agencies ("CALEA"), with a professionally trained force with sworn officers and full and part-time civilian staff. The Police Department is organized into five divisions: Office of the Chief, Support Services, Operations, Criminal Investigations, and Financial and Technical Services. The Office of the Chief encompasses all leadership and management oversight for the Police Department and includes the Office of Professional Standards, CALEA accreditation,

policy review, policy amendments, and public information services. The Support Services Division maintains the department's forensic services, records, equipment, and supplies. In addition, this division coordinates and conducts all training, maintains control of evidence and recovered/confiscated property, oversees employee recruitment and selection, and enforces and coordinates animal control ordinances and services including housing unwanted animals. The Operations Division responds to citizen calls for service, performs patrol functions, executes search warrants, enforces traffic and parking regulations, and directs all special teams such as Special Weapons and Tactics, Search and Rescue Unit, Civil Disturbance Unit, Dive Team, and K-9 Unit. The Operations Division also coordinates crime prevention and education activities and enforces and oversees school crossing guard services. The Criminal Investigations Division investigates all major criminal offenses including crimes against persons or property, vice and narcotics cases, crimes committed against and by children, apprehension of criminals, and manages school resource programs in the County's schools. The Financial and Technical Services Division is responsible for coordination and management of all fiscal matters, assuring regulatory, County and internal policy compliance, facility planning, and supporting all aspects of the Police Department's information technology needs.

Fire and Rescue Services: The Prince William County Fire and Rescue System (career and volunteer first responders) protects lives, property, and the environment through timely, professional, humanitarian services essential to the health, safety, and well-being of the community. Emergency response personnel respond to emergency fire, medical, hazardous materials, and service calls for assistance. They provide pre-hospital emergency medical care and fire and hazardous materials incident mitigation. Emergency medical services, including on-the-scene medical treatment and ambulance-to-hospital monitoring of patients, are provided by trained basic and advanced life support technicians on Medic Units. All emergency responders receive training to provide basic life support services, while many are trained to perform advanced life support services. Emergency Medical Service ("EMS") Operations personnel are responsible for the management of the EMS components of fire and rescue service. They provide appropriate training, supervision, procedures, policies and program support within the EMS system. Career and volunteer fire and rescue personnel staff twenty-two fire and rescue stations. Mutual aid agreements exist with all regional jurisdictions to provide prompt and efficient emergency services given existing resources and unit deployment. The Community Safety Section includes the Fire Marshal's Office ("FMO"), Office of Emergency Management ("EM"), Community Education, and Public Information. The FMO investigates the origin and cause of fires and explosions and conducts criminal investigations of arson. Fire Marshals inspect commercial properties and new construction sites to ensure compliance with fire codes, reviews building sites, fire suppression, and alarm system plans to ensure compliance with fire codes and building codes related to fire protection systems. EM develops and maintains disaster and preparedness plans as well as coordinates and conducts exercises for all such plans in accordance with federal laws and regulations to prepare for, respond to, and recover from disasters and to mitigate community hazards. The community safety program provides public information and public education, such as injury prevention and fire safety practices. The Systems Support Section provides the necessary organization and system infrastructure to provide emergency response activities including: Training, Personnel, Planning and Logistics, Fire and Rescue Call-Taking and Dispatch, Information Technology, Health and Safety, Fleet, Facilities, Finance and Administration.

Public Schools

The County public school system is the second largest public school system in Virginia and the fourth largest in the Washington D.C. Metropolitan Region. It is known for its system of school-based management, which places the decision making and accountability at the school level. The costs of the school system are primarily supported by appropriations from the General Fund of the County (see Section II - FINANCIAL ADMINISTRATION - GENERAL FUND FINANCIAL OPERATIONS) and from money received from the Commonwealth and the federal government.

The overall instructional program in the County schools is implemented through a planned, systematic approach which specifies the essential skills for all students and serves as an instructional guide for teachers to assure that the essential skills are learned by every child. Programs are also available for gifted and special education students. Vocational instruction in several career areas is offered as well.

The public school system consists of 61 elementary schools, two elementary/middle (1-8) schools, 16 middle schools, 12 high schools, one special education school, one traditional school, and one alternative school which houses special education, middle, and high school programs. As shown in the following chart, the number of students attending the County's public schools has grown in each of the past ten years.

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Public School Enrollment

School Year	<u>Elementary</u>	<u>Middle</u>	<u>High</u>	<u>Special Education</u>	<u>Total</u>	<u>Percent Change</u>
2010	37,261	17,700	22,857	1,298	79,116	-
2011	38,436	18,351	23,500	1,348	81,635	3.2%
2012	39,269	18,902	24,015	1,365	83,551	2.3
2013	39,538	19,473	24,665	1,379	85,055	1.8
2014	39,920	19,703	25,249	1,337	86,209	1.4
2015	40,070	20,004	25,861	1,319	87,254	1.2
2016	40,569	20,095	26,923	1,333	88,920	1.9
2017	40,482	20,713	27,261	1,405	89,861	1.1
2018	40,110	20,997	27,610	1,486	90,203	0.4
2019	40,422	21,357	28,058	1,689	91,526	1.5

Source: Prince William County Schools, Office of Facilities Services, January 2020.

Transportation Infrastructure

One of the County's strategic goal areas is mobility to ensure an accessible, comprehensive, multi-modal network of transportation infrastructure that supports local and regional connectivity of the community and its businesses. Over the years, the County has worked to develop a transportation network that gets people to jobs, improves safety, reduces congestion, reduces travel time and enhances the County's economic development efforts. A substantial portion of the new road construction and improvements over the past 10 years has been financed by the County with a moderate amount of funding from the Commonwealth and the federal government. The County has also received funding for transportation improvements from the Northern Virginia Transportation Authority ("NVTA"), which is responsible for long range transportation project planning, prioritization and funding for regional transportation projects in Northern Virginia. Once road construction projects are completed, they are accepted by the Commonwealth for future maintenance. The County's current Six-Year Capital Improvement Program includes several transportation projects that will be funded with County General Funds and proffers supplemented by regional, Commonwealth, NVTA and federal funding. The November 2019 referendum authorizes the issuance of bonds for the transportation and parks projects.

Human Services

County departments and various appointed boards and commissions are responsible for overseeing and advising on the planning and delivery of the County's numerous human services programs. Members of these boards and commissions are appointed by the Board. Various operating departments, in locations convenient to citizens, provide direct services, administration, and support. Among these departments, the services provided include the following:

Community Services: Community Services is the County's public behavioral health entity charged with the provision of mental health, substance abuse, intellectual and developmental disability, emergency, early intervention, and prevention services for the County and the Cities. Services are community-based, provided both directly and contractually with private and other public service providers, and include case management, medication and therapeutic treatment, and specialized services such as psychosocial rehabilitation, vocational services, and residential support. Community Services serves residents of all ages, including early intervention services for babies and toddlers, from birth to age three, who are at risk due to developmental delays. Operations are managed by an Executive Director assisted by a Community Services Board appointed by the Board. Funding for many services is through Medicaid and other Commonwealth and federal revenue sources.

Social Services: The mission of the Department of Social Services is to enhance the quality of life in the County by affording individuals and families the support, protection, and safety necessary to enable them to build self-reliant lives. In addition to determining eligibility for public benefits, programs are designed to protect children and vulnerable adults and include foster care and adoption services, residential services that provide court-ordered secure detention for youths, post-dispositional residential care to youths as an alternative to commitment, comprehensive services for at-risk youths, and services for persons who are homeless. Operations are managed by a Social Services Director, assisted by a Social Services Advisory Board appointed by the Board. Funding for the Department of Social Services is shared with the Commonwealth and the federal government.

Area Agency on Aging: The primary goals of the Area Agency on Aging are to empower independence and enhance the quality of life and enjoyment of aging individuals by offering a supportive network for older persons and their family caregivers through advocacy education, coordination, and implementation of programs and services in the tri-jurisdictional area of the County and the Cities.

Housing Opportunities and Assistance: The Office of Housing and Community Development ("OHCD") is responsible for developing affordable housing opportunities and neighborhood resources for low and moderate-income households in the County. OHCD manages the development and implementation of the Prince William Area (the County and the Cities) Consolidated Housing and Community Development Plan to encourage and support affordable housing programs and services. OHCD primarily uses federal resources to provide housing development, rehabilitation and preservation services, home ownership financing, rental assistance through the federally-funded Housing Choice Voucher Program, and housing-related services. OHCD also provides financial services to local shelters for their operation and assistance to homeless families.

Public Health Services: The Department of Public Health provides a wide range of services designed to promote and protect the health of the community and the environment. The Department is funded by the federal government, the Commonwealth, the County, the Cities, and Commonwealth and local user fees. It is responsible for the community and clinical preventive services, vital statistics, health information, environmental health services, and the assurance of access to needed quality health care services. The Department of Public Health's functions include the provision of preventive and other clinical services including: immunizations for children and

adults; prenatal care; women's wellness; sexually transmitted disease services; tuberculosis treatment and care; dental care; and nutrition services for women, infants, and children. The agency's functions also include the issuance of death certificates; inspections of food and public establishments; inspection, testing, and permitting of water supplies and sewage disposal systems; and review of new development projects for environmental health impacts. Public Health interventional activities include the investigation and control of communicable disease outbreaks, rabies control, health and environmental hazard mitigation, and bioterrorism/public health emergency response. A focus of resources for fiscal year 2021 budgeting was initially to address substance exposed infants and vaping. In the spring of 2020 that focus shifted to the global public health threat of the COVID-19 pandemic. It is expected the COVID-19 pandemic will continue having significant impacts on the community in fiscal year 2021. Public Health Services will continue to monitor and address issues as needed.

Judicial Administration

The County administers judicial affairs through a court system consisting of the Circuit Court, the General District Court, and the Juvenile and Domestic Relations Court and through the Offices of the Clerk of the Court, the Commonwealth's Attorney, the Community Corrections Agency, and the Office of Criminal Justice. Funding for the operations of the Clerk of the Court, the Circuit Court and other courts, the Magistrates, the Commonwealth's Attorney, and the Sheriff's Office is largely provided by the Commonwealth but is supplemented by the County.

The Prince William – Manassas Regional Adult Detention Center ("ADC") consists of four buildings in the County: the Main Jail facility, the Modular Jail building, the Central Jail facility, and the Annex for administrative and training use. The ADC's mission is to provide secure, safe, and cost-effective inmate housing. The ADC serves the County and the Cities and is governed by an eleven-member Regional Jail Board (the "Jail Board"). The Sheriff is an ex officio member by statute. The Board appoints eight members, and the Manassas City Council appoints two members to the Jail Board. The Commonwealth Department of Corrections operational capacities in the County as of August 2020 are estimated at 200 inmates in the Central Jail, 202 inmates in the Main Jail, 200 inmates in the Modular Jail, and 65 inmates in the Work Release center, for a total of 667 inmates. The Jail Board, with the advice of the ADC Superintendent, has set management capacities higher than operational capacities. The Central Jail and Main Jail facilities are double-bunked, and by adding staff to manage inmates, additional inmates may be housed. The expansion adjacent to the existing ADC, which includes a Work Release facility and a parking lot expansion, is planned to be completed in October 2020. The expansion will provide 204 additional general population beds to allow for future inmate population growth.

Planning and Development

Transportation, Public Works, and Development Services: The Departments of Transportation, Public Works, and Development Services provide services to maintain and improve the safety, quality of life, and environment for County residents. These departments assist with the planning and construction of safe and adequate roadways, engineering, construction and maintenance of public facilities, property code enforcement, protection and management of the

County's watersheds, and engineering review and inspections for site development, building construction and code compliance.

The Department of Transportation's goals include easing the flow of traffic and improving travel within the County for residents and visitors. Working with local, regional, Commonwealth and federal counterparts, this department is responsible for the construction management of the County's new roads and other improvements not managed by the Virginia Department of Transportation.

The Department of Public Works provides internal services for construction management of capital projects, fleet maintenance of County vehicles and equipment, and manages the County's solid waste system which includes a sanitary landfill, yard waste composting facilities, and recycling facilities. The operation of the County's solid waste system is funded entirely through a County-wide solid waste user fee, other user fees and charges for services, and the sale of recyclable materials. The estimated useful life of the system extends to 2060.

The Department of Development Services ("DDS") is the lead development agency for the County. DDS works closely with many affiliated agencies, including Planning, the Fire Marshall/Emergency Services, Public Works, Transportation, and Information Technology to assist customers with the timely development of projects and to ensure compliance with County and state requirements. DDS is also the lead agency responsible for updating the County's design and construction standards manual.

Land Use Planning: The Office of Planning is responsible for identifying current and future land use and public facilities needs of the County. The Office of Planning prepares and updates the County's comprehensive plan, the general guide to the location, character, and extent of proposed anticipated land use, including public facilities. In addition, the Office of Planning reviews proposals for compliance and prepares, updates, and enforces the zoning ordinance. The Office of Planning also reviews and provides planning analysis of proposed zoning changes and special use permits, and is responsible for the implementation of proffers.

Geographic Information: The Geographic Information System ("GIS") Division of the Department of Information Technology operates the County's enterprise geospatial program to enable an effective and efficient government using advanced GIS technologies. The GIS program prepares and maintains a multipurpose data warehouse, application suite, and infrastructure, delivering specialized geospatial, geodetic, demographic, and legal information derived from authoritative resources and offered to assist the County in administering its land development and management responsibilities, enhancing public safety response, sustaining the environment, and building healthy populations with a world class GIS infrastructure. As Prince William County's official resource and subject matter experts in GIS technology, the GIS Division engineers, operates, and maintains the central GIS technology platform and its associated GIS web applications, GIS desktop application and custom GIS tools. The GIS Division serves as the "official" resource and geospatial service for information about the County's population, social characteristics, households, housing, and economic attributes for use by the public and County agencies, as well as, operates an information and map distribution center for dissemination of geospatial and demographic information to the public, regulators, developers, businesses, and other interested parties.

Parks, Recreation and Libraries

Libraries: The County's library system provides services to the citizens of Prince William County and the Cities through its current two full-service regional libraries, four community libraries and five neighborhood libraries. The library system had 277,040 registered patrons as of the end of fiscal year 2019. During fiscal year 2019, the library circulated approximately 2.9 million print and digital library materials and had nearly 5.9 million information and electronic resource requests.

By Board action on August 4, 2020, the County transferred the management of its public libraries from a system governed by a board of trustees (the "Library Board") appointed by the Board to a County department under the governance of the Board. The Library Board was converted into an advisory board with members appointed by the Board. The Library Department is managed by the Library Director with the assistance of the advisory board. The transition from a system to a County department did not change the operation of the public libraries and the services offered to the public.

Parks, Recreation and Tourism: The County Department of Parks, Recreation and Tourism ("DPRT") is responsible for the development, construction, operation, and maintenance of parks and recreational facilities and promote tourism throughout the County. DPRT currently operates 79 park and recreational areas and manages approximately 5,147 acres. Approximately one-third of the total acreage owned is developed and maintained for active recreational and leisure use. Operations are managed by the County DPRT Director assisted by a Parks and Recreation Commission, an advisory commission appointed by the Board.

Water Supply and Wastewater Collection and Treatment

Prince William County Service Authority: The boundaries of its service area are coterminous with the County. All heavily developed areas of the County, with the exception of the unincorporated Dale City area in the eastern part of the County, are provided water and wastewater service by the Service Authority. The Service Authority provides service to approximately 93,000 residential and commercial accounts. Over the past five years, the Service Authority has seen a 7.4 percent increase in its customer base.

Water is supplied from a combination of sources: Service Authority-owned wells and long-term water purchase agreements with the Fairfax County Water Authority and the City of Manassas. The Service Authority's total capacity as of May 2019 was 67.9 million gallons per day ("mgd"), which is expected to meet County water needs until the year 2036. Additional capacity will be purchased when required. During fiscal year 2018, the Service Authority delivered a daily average of 27.8 mgd representing 99.6 percent purchased water and 0.4 percent produced water from the Service Authority's wells. The Service Authority's water storage and distribution system consists of approximately 1,236 miles of water lines, 26.1 million gallons of water storage, and various pumping stations.

The Service Authority's sewage treatment system consists of the H. L. Mooney Advanced Water Reclamation Facility ("Mooney AWRP"), with a current capacity of 24 mgd. Current capacity is expected to satisfy growth in the Service Authority's service area until the year 2030.

The Service Authority's 1,097 miles of sewer mains transport wastewater to these facilities, as well as to the Upper Occoquan Sewage Authority ("UOSA") Regional Facility, which provides wastewater treatment service to the Cities and to portions of Fairfax and Prince William Counties.

Under a long-term agreement with UOSA, the County's share of the treatment capacity at the interjurisdictional UOSA plant is 19.8 mgd of the present UOSA plant capacity of 54 mgd. Current capacity, along with a planned UOSA capacity expansion, will service most of the County's sewage treatment through the year 2026. To meet sewage treatment needs beyond that time, the Service Authority plans to further expand the capacity of the Mooney AWWF and purchase additional treatment capacity at UOSA. The UOSA facility is authorized to expand to a maximum plant build-out capacity of 80 mgd.

The Service Authority is a self-supporting enterprise fund. It derives all of its operating revenues from its customer billings. The Service Authority also collects availability fees from owners and developers to cover the cost for treatment capacity and infrastructure related to growth. The Service Authority adopts an annual operating budget and capital improvement program, sets rates, and may issue revenue bonds without the approval of other governmental bodies, including the Board.

Upper Occoquan Sewage Authority: UOSA was formed on March 3, 1971, by concurrent resolutions of the governing bodies of Fairfax and Prince William Counties and the Towns (now Cities) of Manassas and Manassas Park, and was chartered by the Commonwealth of Virginia State Corporation Commission on April 1, 1971. The governing body of UOSA is an eight-member Board of Directors consisting of two members appointed for four-year terms by the governing body of each member jurisdiction. UOSA's Executive Director is responsible to the Board of Directors for the day-to-day operations of UOSA. UOSA was established to acquire, finance, construct, operate, and maintain facilities for the treatment of sewage in its service area and is organized into four divisions: Operations and Maintenance, Treatment Process, Technical Services and Finance.

UOSA's service area encompasses approximately 246 square miles and includes portions of the County, Fairfax County and the Cities. UOSA owns and operates an advanced water reclamation facility with a capacity of 54 mgd, and a regional system of sewer lines, pump stations and force mains that deliver sewage from the member jurisdictions to the treatment plant. To meet future needs from increases in population and associated wastewater flows, UOSA has developed a capital improvement program that includes a variety of major additions, extensions and improvements to its system. The existing treatment works is designed and permitted to receive and process a rolling 30-day average of 54 mgd. For the fiscal year ended June 30, 2019, the average daily flow was 37.8 mgd. The maximum 30-day rolling flow was 44.3 mgd, 82.0 percent of capacity.

COVID-19 Matters

The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which is currently affecting most of the world, including the United States, the Commonwealth, and the County. The federal, state and local level governments, as well as private entities and institutions, have

implemented measures to reduce the spread of COVID-19 including, but not limited to, travel restrictions, voluntary and mandatory quarantines, event postponements and cancellations, voluntary and mandatory work-from-home arrangements, and facility closures. The impact of these measures, as well as general concerns related to the global and national public health emergency and other contributing factors (including an ongoing oil production dispute), have also resulted in significant volatility in the capital markets and a general consensus that the global and national economies are distressed.

On March 12, 2020, Governor Northam declared a State of Emergency in the Commonwealth as a result of the COVID-19 pandemic. Subsequently, restrictions designed to address the COVID-19 pandemic were imposed in the Commonwealth. Such restrictions included the prohibition of public and private in-person gatherings of ten (10) or more people, the closure of certain recreational and entertainment businesses and the ban on more than ten (10) patrons in nonessential retail stores capable of maintaining required social distancing (collectively, the “Restrictions”). Businesses offering professional rather than retail services were permitted to open but they were encouraged to use teleworking as much as possible. Further, in-person instruction at schools in the Commonwealth was cancelled for the remainder of the 2019-20 academic year. A local State of Emergency was declared by the County Executive on March 16, 2020.

On March 30, 2020, Governor Northam issued a statewide Stay-at-Home Executive Order to mitigate the spread of COVID-19, effective until June 10, 2020, unless amended or rescinded (the “Stay-at-Home Order”). The Stay-at-Home Order directed all Virginians to stay home except in extremely limited circumstances.

On July 1, 2020, the County as well as the Commonwealth moved into Phase Three of the “Forward Virginia” plan issued by the Governor Northam concerning COVID-19 restrictions. This phase eased restrictions on certain businesses, allowing them to serve a limited number of customers indoors with continued public health precautions. Restaurants, farmers markets, non-essential retail, and personal care and grooming services may operate with six feet of distance between customers. Fitness and recreational centers, swimming pools may operate at up to seventy-five percent occupancy load. Performing arts, sports, and concert venues, movie theaters, and other entertainment centers and places of public amusement may operate at the lesser of fifty percent of the lowest occupancy load and one thousand (1,000) patrons. The County has a limited opening for public services counters as well. On July 6, 2020, summer camps began at County parks, historic sites, and recreational facilities. The regional and community libraries are to be open by appointment. The Household Hazardous Waste and Electronics Recycling Program reopened at the County’s Landfill location on certain days for County’s residents only.

On July 15, 2020, the County School Board unanimously adopted a Return to Learning plan that would have the first quarter of the 2020-21 academic year as all virtual learning for most students. The goal will be to transition to a fifty percent capacity model in the second quarter, with the option for students to remain virtual. Under this plan, the School Board will consider offering in-person services to special education students as determined appropriate by their IEP teams, and to the most vulnerable English Language Learners and students with interrupted learning, as determined to be instructionally appropriate and feasible. The Division’s goal is to transition to a 50 percent Capacity In-Person and Distance Learning Model for the second quarter, with the

option for students to remain virtual, while maintaining flexibility throughout to adapt to public health guidelines as needed.

In March 2020, Governor Northam requested federal disaster assistance, which was received in the form of a Major Disaster Declaration on April 2, 2020. A Major Disaster Declaration designation provides federal public assistance for all areas in the Commonwealth affected by COVID-19 at a federal cost share of 75%. The cost share allows state agencies, local governments and certain non-profit organizations to purchase supplies and receive reimbursements for COVID-19 related costs under its Public Assistance program. The Major Disaster Declaration also authorizes federal agencies to provide direct emergency assistance to the Commonwealth.

The County expects Commonwealth, federal and local governments and private entities to take additional actions to mitigate the spread of and impacts of COVID-19. For example, service sector workers and others who cannot telework may see reduced hours or layoffs due to reduced business demand, and supply shortages may increase. The long-term and short-term capital markets have experienced significant deterioration in value and volatility, which can affect the liquidity and results of operations of companies in the Commonwealth, the Commonwealth's economy as a whole and could materially affect the levels of the Commonwealth's and County's revenues for the current and future fiscal years.

The duration and extent of the impact of COVID-19 on the Commonwealth's revenues, expenses and cashflow and its effects on the County's share of funds transferred are uncertain and cannot be quantified with any degree of certainty at this time. It is expected that the Commonwealth will not adopt a new six-year transportation plan until after the budget re-forecast. Even with a new transportation funding bill passed this year at the Commonwealth level, there could be significant decreases in funding available from sources such as sales tax. Such reductions may also have a material impact on the County's ability to fund transportation projects. However, the County's COVID-19 pandemic revenue impact is not projected to be as significant as that of the Commonwealth's, since property taxes are the largest source of the County's total revenue. More details of COVID-19 impact on the County's revenues and expenses are provided under the captions "SECTION II - FINANCIAL ADMINISTRATION - GENERAL FUND FINANCIAL OPERATIONS" and "SECTION II - FINANCIAL ADMINISTRATION - SUMMARY OF THE BUDGET FOR FISCAL YEAR 2021" below.

On March 27, 2020, the president signed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), containing a \$2.2 trillion fiscal stimulus package. State and local governments across the country share \$150 billion in federal aid under a provision of the CARES Act. Local governments with populations of 500,000 or more are also eligible for the aid. To date, the County has received \$6.7 million of direct COVID-19 federal funding that Office of Housing and Community Development received in a form of the additional Community Development Block funds, assistance for emergency housing solutions program, COVID-19 response, and additional Housing Choice Voucher program funds. Other recipients of this funding were Emergency Operation Center to help emergency medical service providers fight the COVID-19 pandemic and Sheriff's Office to purchase temperature scanners, x-ray machines, and metal detectors for use at Judicial Center. The County was also awarded \$84.2 million of COVID-19 federal funding through the Commonwealth of Virginia. The first half of these funds were received

in June 2020 and allocated to emergency housing assistance, small business micro grants, economic recovery initiatives, acquisition of computer devices to support distant learning, COVID-19 testing, homeless services, community feeding, and emergency response. On August 17, 2020, the County received the second half of the federal funding from the CARES Act.

To help businesses affected by the economic impact of COVID-19, the County extended the Business Tangible Personal (“BTP”) property tax filing deadline from April 15 to July 15, 2020. This extension provided relief to the County’s business owners during this period of economic uncertainty and aligned the filing date with the revised Internal Revenue Service filing date. The tax payment deadline for BTP has not been extended. During the July 14, 2020, meeting, the Board of County Supervisors passed a resolution extending the payment deadline for the 2020 first-half real estate taxes for 90 days, from July 15 to October 13, 2020. The extension applies to both commercial and residential real property. The County accounts for the revenues from this tax during the fiscal year in which the due dates fall. The extension of the real estate tax deadline is not expected to affect fiscal year 2020 and 2021 revenues.

County leadership has evaluated the County’s liquidity to meet its obligations and believes that the County has sufficient liquidity without the need to access external funding for operations. The effects of the pandemic are still in the early stages, however, and will require constant re-evaluation of revenues and expenditures and liquidity, and the County reserves the right to employ external financing to meet such needs.

DEMOGRAPHIC AND ECONOMIC FACTORS

Population Characteristics

The County’s population is concentrated in two areas: the suburban areas of Woodbridge/Dale City along the Interstate-95 corridor, and the north central sections of the County along Interstate 66 including the suburban neighborhoods surrounding the City of Manassas. Other areas of the County have experienced new, and often rapid, population increases in the past ten years. These new growth areas include developments along the Prince William Parkway and Route 234 in the east and Linton Hall Road, Vint Hill Road, and James Madison Highway in the west. According to the most current U.S. census data, the County is the second most populous county in the Commonwealth and one of its most rapidly growing jurisdictions. The County’s population increased from 280,813 to 463,867 between 2000 and 2019, an increase of 65.2 percent or an average annual growth of 3.4 percent. The following table provides population growth over nearly five decades between 1970 and 2019 for the County, the Washington, D.C. metropolitan statistical area (“MSA”), and the Commonwealth.

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CENSUS POPULATION AND RATES OF CHANGE

<u>Year</u>	<u>Prince William County⁽¹⁾</u>	<u>Percentage Change</u>	<u>Washington D.C. MSA⁽²⁾</u>	<u>Percentage Change</u>	<u>Commonwealth of Virginia</u>	<u>Percentage Change</u>
1970	111,102	-	2,481,489	-	4,648,494	-
1980	144,703	30.2%	3,477,972	40.2%	5,346,818	15.0%
1990	215,686	49.1	4,223,485	21.4	6,187,358	15.7
2000	280,813	30.2	4,796,183	13.6	7,078,515	14.4
2010	402,002	43.2	5,582,170	16.4	8,001,024	13.0
2019	463,867	15.4	6,280,487	12.5	8,535,519	6.7

Source: U.S. Department of Commerce, Census Decennial Censuses, 1970-2010; U.S. Census Population Estimates Program (PEP), 2019; Prince William County Demographer, 2019.

Notes: ⁽¹⁾ The geographic boundaries of the County changed between 1970-2010 due to the Cities becoming incorporated and independent in 1975. The population figures reflect the reported Decennial Census data and reflect the County boundary as defined at that point in time. 2019 data is from the Prince William County Demographer.

⁽²⁾ The 1970 to 1990 population figures are based on the 2000 definition of the Washington, DC-VA-MD MSA.

Housing construction increased modestly in post-recession years and has led to a strong housing market with a balanced distribution of new home types across all districts. Population growth in the 2010s will likely amount to less than half of the growth experienced in the 2000s as the County's record pre-recession growth has leveled off.

The following two tables show the County's population for 2010 through 2019, forecasts for 2020 and 2030, as estimated by the County in cooperation with the Metropolitan Washington Council of Governments, and other population characteristics of the County.

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COUNTY POPULATION

<u>Year</u>	<u>Population</u>	<u>Average Annual Percentage Growth</u>
July 1, 2010 ⁽¹⁾	402,002	-
July 1, 2011 ⁽²⁾	410,454	2.1%
July 1, 2012 ⁽²⁾	418,107	1.9
July 1, 2013 ⁽²⁾	425,681	1.8
July 1, 2014 ⁽²⁾	433,621	1.9
July 1, 2015 ⁽²⁾	441,627	1.8
July 1, 2016 ⁽²⁾	449,864	1.9
July 1, 2017 ⁽²⁾	456,126	1.4
July 1, 2018 ⁽²⁾	459,966 ⁽⁴⁾	0.8
July 1, 2019 ⁽²⁾	463,867 ⁽⁴⁾	0.8
July 1, 2020 ⁽³⁾	467,935	0.9
July 1, 2030 ⁽³⁾	529,600	1.3

Sources or Notes: ⁽¹⁾ U.S. Department of Commerce, Census Bureau, Census 2010.

⁽²⁾ Prince William County GIS Division. 2017 Population restated in April 2018. Population from 2011 to 2016 restated in February of 2017. Based on quarter two of each year.

⁽³⁾ Estimated Metropolitan Washington Council of Governments (MWCOG) 9.1 Cooperative Forecasts for Prince William County, October 2018.

⁽⁴⁾ The population estimates for 2018 and 2019 were revised in March 2020 to better align with 2019 Quarter 4 population estimates that account for household size of age-restricted housing units.

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SELECTED 2018 POPULATION CHARACTERISTICS

<u>Characteristic</u>	<u>Prince William County</u>	<u>Virginia</u>	<u>United States</u>
Median Age	34.9	38.1	37.9
Percent Age 17 or Under	27.6%	22.2%	22.8%
Percent Age 65 or Older	9.2%	14.6%	15.2%
Average Number of Persons per Household	3.22	2.61	2.63
Percent with High School Diploma or Higher	88.5%	89.3%	87.7%
Percent with Bachelor's Degree or Higher	40.1%	38.2%	31.5%

Source: U.S. Department of Commerce, Census Bureau, 2014-2018 American Community Survey 5-Year Estimates. The 2014-2018 American Community Survey is the most recent as of the date of this Official Statement.

Income

According to the 2014-2018 American Community Survey 5-Year Estimates, the 2018 median household income in Prince William County was \$103,445, which ranked twenty-third highest among all counties and equivalents in the United States. The County has the seventh highest median household income in the Commonwealth, indicating the relative wealth of Prince William County and the greater Washington metropolitan region, which included nine of the top twenty-five counties in the nation for median household income. Comparisons of the County's 2018 median household income estimate are shown in the following table:

COMPARATIVE 2018 INCOME ESTIMATE

	<u>Median Household Income⁽¹⁾</u>
Prince William County	\$103,445
Commonwealth of Virginia	71,564
United States	60,293

Source: U.S. Department of Commerce, Census Bureau, 2014-2018 American Community Survey, 5-Year Estimates.

Note: ⁽¹⁾ A household includes related individuals, unrelated individuals and single persons living alone.

Commerce and Employment

Major business concentrations within the County are located along the Interstate 95 and Interstate 66 corridors. Sites near Interstate 66 are particularly well-suited for industrial, high technology, and service companies. Commerce and retail development are concentrated in the eastern half of the County along the Interstate 95 and Route 1 corridor and in the western portion

of the County along the Sudley Road corridor between the City of Manassas and Interstate 66 as well as the Lee Highway/Route 29 corridor south of the Route 66 and Route 29 interchange. Businesses and other establishments located in the County include Sentara and Novant Hospitals; Kaiser Permanente; American Type Culture Collection; Corning Life Sciences – Mediatech Inc.; Live Nation (Jiffy Lube Live Amphitheatre); Mall at Potomac Mills; Cabela's; Comcast Communications; Federal Bureau of Investigation; Northern Virginia Community College; George Mason University Science and Technology Campus; New Horizon Security; FedEx Ground; Medliminal, LLC; Minnieland Private Day School; US Foods; Reinhart Foodservice; Mondelēz International, and numerous data centers, including Iron Mountain, CloudHQ, QTS, and COPT. Overall, the largest employment sectors are services, retail and government.

Major public and private employers located within the County as of June 30, 2019, include:

MAJOR PUBLIC AND PRIVATE EMPLOYERS

<u>Employer⁽¹⁾</u>	<u>Ownership</u>	<u>Number of Employees⁽²⁾</u>	<u>Rank</u>
Prince William County School Board	Local Government	1,000 and over	1
Prince William County	Local Government	1,000 and over	2
U.S. Department of Defense	Federal Government	1,000 and over	3
Walmart	Private	1,000 and over	4
Morale Welfare and Recreation	Federal Government	1,000 and over	5
Sentara Healthcare (Potomac Hospital)	Private	1,000 and over	6
Wegmans Store #07	Private	500-999	7
Target Corporation	Private	500-999	8
Northern Virginia Community College	State Government	500-999	9
MJ Morgan Group	Private	500-999	10

Source: Prince William County, Comprehensive Annual Financial Report, fiscal year 2019, Table 17.

Notes: ⁽¹⁾ All data provided by the Virginia Employment Commission (1st Quarter 2019).

⁽²⁾ The County is prohibited from publishing the actual number of employees per the Confidential Information Protection and Statistical Efficiency Act of 2002 – Title V of Public Law 107-347.

The County civilian labor force, as reported by the Bureau of Labor Statistics, was 247,826 in 2019, which was an increase of 7 percent over the past five years. After increasing each year since 1997, the average civilian labor force in the County began to level off in 2013 with slight fluctuations up and down between 2014 and 2016. This may be a result of the slowing population growth after a boom in the 1990s and 2000s. In 2019, the employed labor force was 241,558, an increase of 9.7 percent over the past five years.

The number of jobs located in the County, or at-place employment, averaged over the first nine months of 2019 was 133,102. At-place employment in the County has increased 60.2 percent since 2001, when employment was estimated at 83,107. In the five-year period from 2014 to 2019, at-place employment grew by 13,639 jobs, or 11.4 percent.

Year-over-year, from the 2018 annual average to the first nine months of 2019, total jobs in the County increased by 2,475 or 1.9 percent annualized. The following two tables provide information on at-place employment from 2010 to 2019, as well as jobs by employment sector.

PRINCE WILLIAM COUNTY EMPLOYMENT GROWTH

<u>Calendar Year⁽¹⁾</u>	<u>At-Place Employment</u>	<u>Percent Change</u>
2010	103,877	-
2011	108,137	4.1%
2012	112,954	4.5
2013	116,645	3.3
2014	119,463	2.4
2015	122,607	2.6
2016	126,283	3.0
2017	127,892	1.3
2018	130,335	1.9
2019 ⁽²⁾	133,102	2.1

Source: Virginia Employment Commission/Bureau of Labor Statistics.

Notes: ⁽¹⁾ For 2010-2018, the data reflects annual averages.

⁽²⁾ For 2019, the values are preliminary.

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PRINCE WILLIAM COUNTY AVERAGE EMPLOYMENT BY INDUSTRY

	2013 2nd Qtr.		2016 2nd Qtr.		2019 2nd Qtr.		2013- 2019 % Change
	#	%	#	%	#	%	
Retail Trade	22,028	18.7	22,999	18.0	21,962	16.3	-0.30
Educational Services	15,896	13.5	16,724	13.1	17,445	12.9	9.74
Health Care and Social Assistance	11,177	9.5	12,685	9.9	15,223	11.3	36.20
Construction	12,222	10.4	13,611	10.7	15,012	11.1	22.83
Accommodation and Food Services	12,916	10.9	14,266	11.2	14,515	10.8	12.38
Professional, Scientific, and Technical Services	8,756	7.4	9,246	7.2	10,259	7.6	17.17
Public Administration	8,046	6.8	7,385	5.8	7,705	5.7	-4.24
Administrative and Support and Waste Management	5,388	4.6	7,091	5.6	7,240	5.4	34.37
Arts, Entertainment, and Recreation	3,908	3.3	4,661	3.7	5,381	4.0	37.69
Other Services (except Public Administration)	3,863	3.3	4,472	3.5	4,734	3.5	22.55
Wholesale Trade	2,962	2.5	2,884	2.3	2,993	2.2	1.05
Transportation and Warehousing	2,308	2.0	2,480	1.9	2,677	2.0	15.99
Finance and Insurance	1,905	1.6	2,171	1.7	2,089	1.6	9.66
Manufacturing	1,939	1.6	2,015	1.6	1,954	1.5	0.77
Real Estate and Rental and Leasing	1,563	1.3	1,639	1.3	1,760	1.3	12.60
Information	1,625	1.4	1,383	1.1	1,448	1.1	-10.89
Management of Companies and Enterprises	681	0.6	691	0.5	854	0.6	25.40
Utilities	669	0.6	662	0.5	759	0.6	13.45
Unclassified establishments	n/a	0.0	370	0.3	471	0.3	n/a
Agriculture, Forestry, Fishing and Hunting	67	0.1	83	0.1	127	0.1	89.55
Mining, Quarrying, and Oil and Gas Extraction	91	0.1	95	0.1	103	0.1	13.19

Source: Virginia Employment Commission. Labor Market Information: Quarterly Census of Employment and Wages (QCEW).

The County's average unemployment rate for the first six months of 2020 was 6.4 percent compared to 2.5 percent in 2019. During the April-June period following the start of the COVID-19 pandemic, the average unemployment rate was 10%. Preliminary estimates for July 2020 place the unemployment rate down to 8.6%. Prior to the pandemic, as shown in the following table, the unemployment rate in the County has been consistently below Commonwealth of Virginia and national averages.

HISTORICAL UNEMPLOYMENT RATES⁽¹⁾

<u>Calendar Year</u>	<u>Prince William County</u>	<u>Commonwealth of Virginia</u>	<u>United States</u>
2010	6.1%	7.1%	9.6%
2011	5.7	6.6	8.9
2012	5.3	6.1	8.1
2013	5.2	5.7	7.4
2014 ⁽¹⁾	4.9	5.2	6.2
2015 ⁽¹⁾	4.1	4.5	5.3
2016 ⁽¹⁾	3.7	4.1	4.9
2017 ⁽¹⁾	3.4	3.7	4.4
2018 ⁽¹⁾	2.7	3.0	3.9
2019 ⁽¹⁾	2.5	2.8	3.7

Source: U. S. Department of Labor, Bureau of Labor Statistics.

Notes: ⁽¹⁾Unemployment rates for 2014-2019 reflect revised population controls and model reestimation.

Assessed Value of Locally Taxed Property

The Virginia Constitution and the Code of Virginia provide that real estate and tangible personal property (except the rolling stock of public service corporations) are reserved for taxation by cities, counties, towns and other local government entities. The assessed value and the estimated market value of all taxable real estate and personal property in the County for the last ten fiscal years are presented in the following table.

Fiscal year values represent the January 1 assessed value for the prior fiscal year (e.g. fiscal year 2019 values are based on the January 1, 2018, assessment). According to the 2019 Real Estate Assessments Annual Report, published October 25, 2019, the assessed value of residential property, including vacant land and excluding rental apartments, increased 4.49 percent in tax year 2019, which is based on assessed values as of January 1, 2018. The change in the residential real estate value is due to 3.40 percent appreciation and 1.09 percent growth.

The assessed value (without estimated supplements) for all real estate property types as of January 1, 2019, recognized as fiscal year 2020 revenue, indicates an estimated increase of 4.22

percent to \$63,593,398,033. The change in the real estate value is due to 3.02 percent appreciation and 1.20 percent growth.

The assessed value (without estimated supplements) for tax year 2019 and percent increase from tax year 2018 are as follows: Residential (including Apartments) \$52,058,969,900 (4.56 percent increase); Commercial \$9,526,081,200 (3.09 percent increase); Public Service \$1,822,119,833 (1.00 percent increase) and Land and Other \$186,227,100 (.29 percent increase).

Additional information regarding real estate assessments is published in the Real Estate Assessments Office Annual Report available on the County website, <http://www.pwcgov.org>.

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**Assessed and Estimated Market Value of Taxable Property ⁽¹⁾⁽²⁾
Last Ten Fiscal Years
(\$000's)**

Fiscal Year	-----Real Property-----					-----Personal Property ⁽⁵⁾ -----		-----Grand Total ⁽⁶⁾ -----	
	Locally Assessed	Public Service ⁽³⁾	Total Assessed Value	Estimated Market Value ⁽⁴⁾	% of Assessed to Estimated Market Value	Locally Assessed ⁽⁵⁾	Public Service ⁽³⁾	Assessed Value	Estimated Market Value
2011	\$37,789,426	\$1,466,645	\$39,256,071	\$48,535,035	80.9	\$3,492,204	\$2,157	\$42,750,432	\$52,029,396
2012	40,181,834	1,472,610	41,654,444	49,533,872	84.1	3,754,050	5,243	45,413,737	53,293,165
2013	42,062,252	1,521,977	43,584,228	50,810,494	85.8	4,083,424	4,520	47,672,172	54,898,438
2014	44,775,834	1,501,931	46,277,765	57,109,671	81.0	4,320,401	3,401	50,601,567	61,433,473
2015	48,562,060	1,531,397	50,093,457	57,663,419	86.9	4,526,613	3,106	54,623,176	62,193,138
2016	52,186,351	1,678,330	53,864,681	60,222,752	89.4	4,986,744	3,536	58,854,961	65,213,032
2017	53,981,879	1,782,650	55,764,529	61,527,420	90.6	5,568,159	3,033	61,335,721	67,098,612
2018	56,065,061	1,826,020	57,891,081	65,844,401	87.9	5,861,397	3,440	63,755,918	71,709,238
2019	59,410,133	1,804,079	61,214,212	66,887,308	91.5	6,395,587	3,274	67,613,073	73,286,169
2020	61,933,175	1,822,120	63,755,295	68,882,957	92.6	7,894,511	3,737	71,653,543	76,781,205

Sources: Prince William County, Department of Finance (2019 Real Estate Annual Report, Table 7 and Comprehensive Annual Financial Report, fiscal year 2019, Table 21).

Fiscal year 2019 and 2020 values include estimates made by the County's Real Estate Division for Public Service Property until information is received from the Commonwealth. Fiscal year 2020 is preliminary until the Real Estate Landbook for calendar year 2020 is published in October 2020.

Notes: ⁽¹⁾ Fiscal year values represent the January 1 assessed value for the prior fiscal year (e.g., fiscal year 2020 values are based on the January 2019 assessment).

⁽²⁾ Assessed values include Landbook values plus all supplements.

⁽³⁾ Public Service property is valued by the Virginia State Corporation Commission and the Department of Taxation at prevailing assessment ratios.

⁽⁴⁾ The Estimated Market Value of real property (including Public Service) is calculated by dividing the assessed value by the County's assessment-to-sales price ratio as determined annually by the Virginia Department of Taxation. Since the ratios for fiscal year 2019 and 2020 are not available as of the date of this Official Statement, estimates from the County Real Estate Office are reported.

⁽⁵⁾ The estimated market value of personal property is assumed to equal 100% of the assessed value.

⁽⁶⁾ Totals may not add due to rounding.

ASSESSED VALUE OF REAL PROPERTY⁽¹⁾
(\$000's)

<u>Fiscal Year</u>	<u>Residential and Condos</u>	<u>Apartments</u>	<u>Public Service Property⁽²⁾</u>	<u>Commercial and Industrial</u>	<u>All Other⁽³⁾</u>	<u>Total Use Value Assessment⁽⁴⁾⁽⁵⁾</u>
2011	\$30,434,819	\$1,451,944	\$1,466,645	\$5,722,158	\$180,505	\$39,256,071
2012	32,477,281	1,642,125	1,472,610	5,899,244	163,184	41,654,444
2013	33,769,506	1,911,766	1,521,977	6,210,947	170,032	43,584,228
2014	35,821,828	2,185,291	1,501,931	6,597,590	171,126	46,277,765
2015	39,073,111	2,525,672	1,531,397	6,802,104	161,172	50,093,457
2016	41,983,238	2,856,819	1,678,330	7,179,333	166,961	53,864,681
2017	43,393,628	3,020,162	1,782,649	7,406,620	161,469	55,764,529
2018	44,665,855	3,047,465	1,826,020	8,185,594	166,147	57,891,081
2019 ⁽⁶⁾	46,722,672	3,243,286	1,804,079	9,258,196	185,978	61,214,212
2020 ⁽⁶⁾	48,785,654	3,422,090	1,822,120	9,538,909	186,522	63,755,295

Source: Prince William County, Department of Finance (2019 Real Estate Annual Report, Table 7).

Notes: ⁽¹⁾ Assessed values include Landbook values plus all supplements.

⁽²⁾ Public Service Property is valued by Commonwealth agencies and includes land and improvements owned by utilities, railroads, and natural gas and petroleum pipeline operators. Fiscal year 2019 and 2020 values include estimates for Public Service Property until information is received from the Commonwealth.

⁽³⁾ The All Other category consists mainly of agricultural land.

⁽⁴⁾ Figures do not include assessed values of properties that were assessed rollback taxes.

⁽⁵⁾ Totals may not add due to rounding.

⁽⁶⁾ Preliminary, subject to revision based on supplemental assessments of new construction.

The following table presents the 25 largest taxable property owners based on assessed values for January 1, 2018, which represents fiscal year 2019 revenue. The total assessed value of the largest 25 taxpayers was \$3,836,682,278 representing approximately 6.3 percent of the fiscal year 2019 total taxable assessed value of real property within the County. The January 1, 2019, numbers which represent fiscal year 2020 revenue will not be available until the Real Estate Annual Report is published in October 2020.

PRINCIPAL REAL PROPERTY TAXPAYERS

<u>Taxpayer</u>	<u>Type of Property</u>	<u>2018 Assessment</u> ⁽¹⁾
Virginia Electric & Power Company	Utility	\$874,741,573
Mall at Potomac Mills LLC	Shopping Center	500,598,400
Northern Virginia Electric Co-Op	Utility	341,939,847
Abdeen Ventures LLC	Data Center	165,800,000
Verizon South Inc.	Utility	156,251,849
Powerloft @ Innovation I LLC	Data Center	148,349,400
Washington Gas Light Company	Utility	144,971,509
JBG/Woodbridge Retail LLC	Shopping Center	133,775,500
Rolling Brook Windsor LLC	Apartments	114,124,900
Chatsworth Park Investors LLC	Apartments	104,919,800
Kir Smoketown Station LP	Shopping Center	102,596,700
Woodbridge Station Apartments LLC	Apartments	99,188,900
Harbor Station Communities LLC	Residential	96,627,600
Westgate Apartments Lmted Ptnshp	Apartments	88,767,700
Sutton Ballston LLC & Sutton Equity LLC	Apartments	81,810,700
United Dominion Realty Trust Inc.	Apartments	79,741,500
Fairfield Potomac Club LLC	Apartments	78,892,300
Magazine Carlyle Station LP	Apartments	69,253,800
DCO Caroline Development LLC	Apartments	68,270,900
LCOR Raven's Crest LLC	Apartments	66,585,300
Stonewall Regency LLC	Shopping Center	66,120,600
TGM Manassas Inc.	Apartments	65,826,700
VADATA Inc	Data Center	64,117,600
Rivergate Phase I LLC	Apartments	61,908,300
Walker Station LLC	Apartments	<u>61,500,900</u>
Total ⁽²⁾		\$3,836,682,278

Source: Prince William County, Department of Finance, 2019 Real Estate Annual Report, Table 12.

Notes: ⁽¹⁾ Calendar year assessment January 2018 equates to fiscal year 2019 revenue.

⁽²⁾ Total may not add due to rounding.

Commercial and Industrial Development

As of December 31, 2019, the total inventory of existing commercial space was approximately 48.2 million square feet. This includes 7.6 million square feet of office space, 5.5 million square feet of flex space (office and/or retail), 13.4 million square feet of industrial space, and 21.8 million square feet of retail space.

A net total of 5.3 million square feet of commercial space has been added to the County's inventory in the last nine years. This includes 0.45 million square feet of office space, 0.75 million square feet of flex space, 2.3 million square feet of industrial space, and 1.8 million square feet of retail space. The increase in commercial space over the last nine years has averaged 1.29 percent per year. This includes an average annual increase of 0.69 percent in office space, 1.65 percent in flex space, 2.14 percent in industrial space and 0.94 percent in retail space.

In 2019 the County added a net of 858,249 (1.81 percent) square feet to its commercial inventory. This includes an increase of 88,252 square feet (1.18 percent) of office space, an increase of 138,600 square feet (2.57 percent) of flex space, an increase of 433,130 square feet (3.35 percent) of industrial space and an increase of 198,267 square feet (0.92 percent) of retail space. The current composition of the County's commercial inventory is 15.67 percent office, 11.48 percent of flex space, 27.74 percent industrial space and 45.11 percent retail space. Totals in each category in the fourth quarter of 2010 through 2019 years are shown in the following table.

COMMERCIAL, INDUSTRIAL AND RETAIL SPACE⁽¹⁾ (In Square Feet)

<u>Year</u>	<u>Office</u>	<u>Flex</u> ⁽²⁾	<u>Industrial</u>	<u>Retail</u>	<u>Total</u>
2010	7,104,579	4,792,564	11,071,947	20,003,493	42,972,583
2011	7,187,672	4,765,064	11,198,819	20,163,391	43,314,946
2012	7,273,958	4,755,314	11,268,344	20,702,174	43,999,790
2013	7,330,909	4,755,314	11,519,147	20,978,838	44,584,208
2014	7,330,909	4,878,382	11,648,997	21,085,508	44,943,796
2015	7,352,229	4,889,982	11,765,205	21,154,999	45,162,415
2016	7,349,328	5,226,142	11,780,147	21,260,863	45,616,480
2017	7,472,388	5,400,142	12,291,647	21,521,355	46,685,532
2018	7,467,837	5,400,142	12,948,387	21,559,872	47,376,238
2019	7,556,089	5,538,742	13,381,517	21,758,139	48,234,487

Source: CoStar Realty Information, Inc., March 2020.

Notes: ⁽¹⁾ CoStar continually updates data regarding real estate space. The amounts are subject to revision based on supplemental review.

⁽²⁾ Flex is defined by CoStar as a building designed to be versatile and may be used in combination with office, research and development, quasi-retail sales, industrial processing or high tech.

Retail Sales

The following shows taxable retail sales in the County for calendar years 2010 through 2019.

TAXABLE RETAIL SALES

<u>Calendar Year</u>	<u>Taxable Retail Sales (\$000's)</u>	<u>Percentage Change</u>	<u>Retail Sales Per Capita⁽²⁾</u>
2010	\$4,341,373	-	\$10,799
2011	4,502,616	3.7%	10,970
2012	4,882,057	8.4	11,677
2013	5,004,545	2.5	11,757
2014	5,090,291	1.7	11,739
2015	5,251,291	3.2	11,891
2016	5,409,151	3.0	12,024
2017	5,540,356	2.4	12,147
2018	5,671,609	2.4	12,317
2019 ⁽¹⁾	5,806,143	2.4	12,446

Source: Virginia Department of Taxation via Weldon Cooper Center for Public Service reported on calendar year basis. Figures may be subject to revision.

Notes: ⁽¹⁾ Calendar year 2019 from Weldon Cooper Center is the latest data available. U.S. Department of Commerce Census Bureau population reported as of July 1 included in the Prince William County, Comprehensive Annual Financial Report, fiscal year 2019, Table 15.

⁽²⁾ Retail sales per capita were calculated using County population statistics provided by County demographer.

The County is served by three regional shopping areas: Potomac Mills Mall (1.9 million square feet), Virginia Gateway (1.1 million square feet), and Stonebridge at Potomac Town Center (0.5 million square feet). The County is also served by many other community and neighborhood shopping centers.

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Housing

The following table illustrates the change in residential housing in the County from 1980 to 2019. Over one out of every three houses in the County has been built since 2000.

	HOUSING UNITS BY TYPE OF STRUCTURE									
	1980		1990		2000		2010		2019	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
Single-family houses ⁽¹⁾	33,912	73.1%	43,959	58.8%	54,632	55.7%	79,574	57.8%	85,533	54.4%
Townhouses	7,141	15.4	17,932	24	26,288	26.8	36,343	26.4	40,304	25.6
Multi-Family	<u>5,335</u>	<u>11.5</u>	<u>12,868</u>	<u>17.2</u>	<u>17,132</u>	<u>17.5</u>	<u>21,668</u>	<u>15.8</u>	<u>31,468</u>	<u>20.0</u>
Total	46,388	100%	74,759	100%	98,052	100%	137,585	100%	157,305	100%

Sources: 1980-2000: U.S. Department of Commerce, Census Bureau 10-Year Censuses. 2010: U.S. Census Bureau and 2010 American Community Survey. 2019: Prince William County GIS Services, as of June 30, 2019.

Note: ⁽¹⁾ Single-family data includes mobile homes, boats, recreation vehicles, and vans used as permanent residences.

New Construction

The following tables illustrate the County's permit activity from 2010 through 2019.

BUILDING PERMITS FOR NEW RESIDENTIAL CONSTRUCTION⁽¹⁾

Calendar					
<u>Year</u>	<u>Single Family</u>	<u>Townhouse</u>	<u>Condo</u>	<u>Apartment</u>	<u>Total</u>
2010	951	469	282	82	1,784
2011	859	274	108	65	1,306
2012	824	276	158	188	1,446
2013	760	427	264	104	1,555
2014	656	368	185	0	1,209
2015	698	450	234	24	1,406
2016	664	451	116	28	1,259
2017	730	633	127	4	1,494
2018	729	451	32	4	1,216
2019	638	480	54	5	1,177

Source: Prince William County, Department of Development Services.

Note: ⁽¹⁾ Permits are New Residential Construction only and do not include additions and alterations.

NUMBER AND DOLLAR VALUE OF PERMITS⁽¹⁾

Calendar Year	Residential Properties⁽²⁾		Industrial and Commercial Properties⁽³⁾		Totals	
	# Permits	Value (\$000's)	# Permits	Value (\$000's)	# Permits	Value (\$000's)
2010	3,624	\$285,580	1,311	\$166,062	4,935	\$451,642
2011	2,595	227,169	1,335	208,939	3,930	436,108
2012	2,700	294,714	1,559	299,857	4,259	594,571
2013	2,825	321,202	1,782	175,691	4,607	496,893
2014	2,601	206,137	1,757	290,614	4,358	496,751
2015	2,765	299,465	1,752	262,011	4,517	561,476
2016	2,724	281,816	1,637	657,904	4,361	939,721
2017	2,837	296,804	1,382	260,711	4,219	557,515
2018	2,560	228,037	1,556	426,909	4,116	654,946
2019	2,348	242,445	1,395	974,797	3,743	1,217,242

Source: Prince William County, Department of Development Services.

Notes: ⁽¹⁾ Permits include new construction and occupancy permits.

⁽²⁾ Residential values equal new construction only.

⁽³⁾ Industrial and Commercial values include additions to existing properties.

Economic Development

One of the County's strategic goals is a robust economy that creates a culture of innovation and achieves more quality jobs, economic opportunities and an expanded commercial tax base. The County aims to maintain an economic development climate that will attract and foster the expansion of industries that create high-wage jobs, diversify the non-residential tax base, and encourage people to live in, work in, and visit the County. In that regard, the County's Department of Economic Development works with targeted industries to attract new businesses and foster expansion of existing businesses. Since August 2010, new and expanding companies have announced or indicated their intention to invest approximately \$8.2 billion and add more than 6,200 jobs to the County's economy. Of the 206 projects completed from 2010 to August 2020, 174 or 84 percent were targeted industries.

Recognizing the particular strengths of the County and seizing upon market demands, the County has concentrated efforts within the life sciences, federal government agencies and contractors, and information technology markets. These efforts have proven successful in generating significant capital investments and job opportunities in the County. More recently, the County conducted a review of its targeted industries and concluded that, while they are largely appropriate, it would seek to encourage redevelopment opportunities; development within opportunity zones; small business growth (including agribusinesses); and entrepreneurship.

The County remains a focal point of the life sciences industry within Northern Virginia. The County is home to a growing ecosystem of life sciences companies, anchored by the George Mason University's Science and Technology Campus. The research generated by George Mason University creates community awareness and significant economic development opportunities. Since 2010, 27 of the Department of Economic Development's projects have been locations or expansions by life sciences companies, accounting for intended investment of approximately \$55 million and the addition of more than 197 new jobs. As a means of catalyzing additional growth, the County launched the Prince William Science Accelerator in December 2012, and completed build out in May 2014. By delivering commercially available wet lab space to the life sciences market in Northern Virginia, the public/private facility is supporting the growth of early-stage and small life science companies and providing an innovative environment for entrepreneurial research and product development. Situated in Innovation Park near George Mason University, the 9,000 square-foot facility houses nine fully built-out wet laboratory spaces suited for each tenant's specific needs. The Science Accelerator is among the largest and fastest-growing cluster of life and forensic sciences facilities in the region and is currently home to nine start-up companies. Most recently, the County announced its intention to sell approximately 4 acres of land at Innovation Park to Holladay Property Services Midwest Inc. for the development of a 30,000-square-foot facility, which will offer commercial wet lab space for early-stage life sciences companies. It is projected to open in November 2021.

With the County's proximity to Marine Corp Base Quantico, Fort Belvoir, the National Reconnaissance Office, and Washington, D.C., along with the addition of the Federal Bureau of Investigation ("FBI") Northern Virginia Resident Agency in the County, the federal government and contractors who support the missions of federal agencies have provided significant growth in the recent past. Since 2010, government contractors or federal agencies have announced their intent to invest and create jobs in the County on 43 occasions. Announcements total approximately \$49 million in investment and 1,010 new jobs.

The County also offers large, affordable land parcels and minimal natural disaster threats, allowing clients to meet the high security standards that today's data center market demands. Currently, there are approximately 5.2 million square feet of data center facilities in the County. Cumulatively, since 2010, companies in this market have announced their intent to invest \$7.3 billion and create 964 new jobs in the County. Iron Mountain Incorporated, a global leader in storage and information management services, opened the first of four planned data centers in the County in September 2017. This first phase, \$80 million, 10.5-megawatt multi-tenant and cloud facility operates as an Uptime Institute Tier III certified facility for design and construction. Construction of a second facility on the campus is currently underway, with opening anticipated later in 2020. Iron Mountain estimates an overall planned investment of \$350 million for the data center project. Nearly 10,000 acres of land are currently designated as a Data Center Opportunity Zone Overlay District.

Areas of particular interest in the County include Innovation Park (the "Park") and the Potomac Communities. These two areas are home to approximately 37 percent of the total project announcements within the County since 2010.

The Park is anchored by George Mason University's Science and Technology Campus. It is home to a growing life sciences cluster that, in addition to George Mason University, includes

American Type Culture Collection, Corning Life Sciences, and the Mason/NIH BSL-3 Biomedical Research Laboratory as well as the Prince William Science Accelerator. Also present is an emerging forensic science/criminal justice cluster that includes the FBI Northern Virginia Resident Agency and the Virginia Department of Forensic Science's Northern Laboratory. Since 2010, 58 companies have announced their intent to invest approximately \$1.9 billion and add 990 new jobs at the Park.

The Potomac Communities include a number of office developments that cater to the growing demand to provide companies greater access to the Northern Virginia labor market while maintaining close proximity to Washington, D.C. and nearby federal facilities – such as Marine Corps Base Quantico, Fort Belvoir, and the Pentagon. With infrastructure improvements to local roadways and new commercial office space coming to market, the Potomac Communities provide several opportunities for those looking to locate or expand in the County. The Potomac Communities submarket has experienced increased growth over the past few years in technology and federal government sectors culminating in 19 projects, 491 jobs and almost \$57 million in investment since 2010.

Under current conditions brought on by the COVID-19 pandemic, the County has been working with its business community to support their continued operations. In the early days of the pandemic, the County's Department of Economic Development quickly pivoted operations to focus on providing much-needed resources and counseling for its business community and worked in collaboration with other County departments as well as local and regional allies to ensure that businesses had resources needed to maintain operations. Recently, the County established the following incentive programs to assist businesses during the recovery period:

- Small Business Relief Grants
- Micro Grants for Hotels, Motels and Inns
- Construction and Renovation Permit Rebates
- Capital Investment and Innovation Grants
- PWC Ignite Start-up Grants
- Workforce Reskilling Grants
- Small Business Technical Assistance

While these programs have largely been funded from funds received under the CARES Act, the County may consider the possibility of extending some of them after federal funding has expired if a need is determined.

Tourism and Travel

Located 25 miles from the nation's capital, the County is easily accessible via Interstates 95 and 66, two rapid rail lines with direct Amtrak access, two international airports—Washington National Airport and Washington Dulles International Airport—and one regional airport, Manassas Regional Airport. Prince William County features 46 hotels with 4,700 hotel rooms, and major tourist attractions, events, and historic sites that attract visitors, create jobs, support the local economy and improve the quality of life for citizens of the County.

Prince William County is the home to the National Museum of the Marine Corps. Located adjacent to Marine Corps Base Quantico, it is a state-of-the-art, interactive museum that draws

more than 500,000 visitors annually. It rivals Manassas National Battlefield Park and Potomac Mills Mall as the County's most visited tourist attractions. Outdoor adventure options include golf courses open for public play, three National Park units, two National Wildlife Refuges, two State Parks, 60 community and neighborhood parks, six marinas and two waterparks. Prince William boasts 38 square miles of public green and open space, the most in the Metropolitan Washington DC area with more than 155 miles of trails.

The County is also home to a thriving arts and cultural scene with the Hylton Performing Arts Center (a state-of-the-art opera house and performance venue), Jiffy Lube Live (a 25,000 seat LiveNation outdoor live concert amphitheater), performing and visual arts organizations, a children's theatre, and a variety of art venues, farms, and agri-tourism sites. Prince William County is also home to a burgeoning craft beverage scene that includes more than 15 wineries, distilleries, and breweries. The County has also hosted several sports tourism invitational events such as Tough Mudder, USA BMX, Soccer Tournaments, fun runs and marathons that encourages travel and overnight stays by visitors.

Tourism development continues to expand in the County with planned agri-tourism venues and craft beverage tasting rooms, hotel developments including more than 450 new hotel rooms, a proposed gaming facility in Dumfries, completion of the multi-year expansion of the National Museum of the Marine Corps, and the planned Americans in Wartime Museum. The County has also experienced a recent expansion in corporate meeting and wedding venues such as Sweeney Barn, The Great Hall at Farm Brew Live, the Roost at Farm Brewery, and the Fabrick Event Center in Dumfries, creating a new opportunity for tourism. According to a 2018 study by the U.S. Travel Association for the Virginia Tourism Corporation, Prince William County is 9th out of 133 municipalities in the Commonwealth with total travel-related expenditures generating over \$619 million and supporting 6,662 jobs. The County collected \$36 million dollars in local and state visitor-related tax receipts in 2018 including \$4.4 million in transient occupancy tax (hotel tax) collected in fiscal year 2019. However, due to the COVID-19 pandemic, stay-at-home orders and travel restrictions announced around the country, and the County's parks facilities closure, the tourism revenue for the County dropped during the 3rd and 4th quarter of the fiscal year 2020. Transient occupancy tax revenue in the fiscal year 2020 is currently estimated to be slightly below the adopted budget as well. More details of COVID-19 impact on the County's revenues and expenses are provided under the captions "GOVERNMENTAL SERVICES - COVID-19 Matters," "SECTION II – FINANCIAL ADMINISTRATION - GENERAL FUND FINANCIAL OPERATIONS" and "SECTION II – FINANCIAL ADMINISTRATION - SUMMARY OF THE BUDGET FOR FISCAL YEAR 2021." The 2018 U.S. Travel Association study is the most current as of the date of this Official Statement.

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SECTION II - FINANCIAL ADMINISTRATION

CERTAIN FINANCIAL PROCEDURES

Accounting and Financial Operations

The accounting policies of the County, including its component units, conform to generally accepted accounting principles (“GAAP”) for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”). The County uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses. Governmental funds are used to account for most of the County’s general activities including the collection and disbursement of earmarked money (special revenue funds) and the acquisition or construction of capital assets (capital projects funds). Proprietary funds are used to account for the County’s business-type activities (e.g., landfill) and internal service funds (fleet management, data processing, self-insurance, etc.). Maintenance of the financial accounting system is the responsibility of the Department of Finance.

Reporting Entity

The County’s reporting entity is determined by criteria set forth in promulgations of GASB. Accordingly, the County’s financial statements present the County’s primary government and component units over which the County exercises significant influence. The reporting entity includes the County Government as primary government, and the County Schools (controlled by the School Board), and the Adult Detention Center (controlled by the Regional Jail Board) as component units. The Board appoints the majority of the members to the Regional Jail Board, and the School Board members are elected. For fiscal year 2019, the School Board issued separately audited Component Unit Financial Statements. The Service Authority, which provides water and wastewater services in the County, issues separate financial statements and is not part of the County’s reporting entity.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. All Governmental (general, special revenue and capital projects), Private Purpose Trust, and Agency Funds use the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual, both measurable and available. Real and personal property taxes are recorded as revenues and receivables in the fiscal year for which they are billed and used as a funding source for the approved budget. For example, tax billings based on assessed values of January 1, 2019, are recognized in total as revenues in fiscal year 2020, which began on July 1, 2019. Sales and utility taxes collected by the Commonwealth or by utility companies, and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the Commonwealth of Virginia or a utility. Licenses, permits, fines, and rents are recorded as revenues when received by the County. Intergovernmental revenues are

recognized when earned or at the time of the specific expenditure. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt is recognized when due. In addition, an encumbrance system is employed in all governmental funds to account for expenditure commitments resulting from approved purchase orders and contracts.

Proprietary Funds and the Pension Trust Fund are accounted for using the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The basic financial statements include both government-wide financial statements, which are based on the County as a whole, and fund financial statements, which are based on major individual funds.

Budget Adoption and Amendment Procedure

The preparation and adoption of the County's budget is guided by the County's Financial and Program Planning Ordinance. The requirements of this ordinance determine the process, format and substance of the annual budget. Some of these requirements include the preparation of a program and activity based budget and multi-year revenue and expenditure projections. In addition, other policy-based considerations must be taken into account in preparing the annual budget. The "Principles of Sound Financial Management" adopted by the Board in 1988, and updated most recently in April 2018, establish policies and goals concerning General Fund balance, contingency reserve, Capital Improvement Program, debt management, and revenues which must be incorporated into resource allocation decisions. Taken as a whole, these planning processes, policies, and the ordinance form the conceptual parameters for the annual budget planning process.

The County's annual budget is based on a fiscal year commencing on July 1 and ending on June 30 of the following calendar year. The County Executive's proposed budget for the following fiscal year is presented to the Board in February of each year. The County's proposed budget includes recommended funding levels for County programs, estimated revenues for the fiscal year, and proposed tax rates, service charges and any new taxes or service charges sufficient to produce the revenues contemplated in the budget. The proposed budget also includes a recommended program of capital expenditures to be financed from current revenues. A separate six-year Capital Improvement Program ("CIP") is also prepared each year (see "CAPITAL IMPROVEMENT PROGRAM"). The school system's proposed annual budget, including contemplated expenditures and estimated revenues, is submitted to the Board by the School Board.

In addition to the annual budget and the six-year CIP, every year the County Executive's Office prepares a five-year fiscal plan including revenue and expenditure projections. Every year of the annual five-year fiscal plan will be balanced in compliance with the County's Principles of Sound Financial Management.

The Board holds budget work sessions and public hearings on the proposed budget, the School Board's proposed budget, and proposed tax rates in March and April. Changes in proposed appropriations and tax rates are made during this period. The Board then adopts the County's budget, including tax rates and service charges, and the School Board's budget no later than May 15. The Board only appropriates an amount of funding for the school system in aggregate. The School Board determines the exact use of the appropriated funds.

During the fiscal year, quarterly reviews of revenues and expenditures are undertaken by the County Office of Management and Budget and the Department of Finance staffs. On the basis of these reviews, the Board may make amendments to appropriations as needed or desired.

Virginia law requires the County to maintain a balanced budget in each fiscal year. The County lacks legal authority to borrow in anticipation of future fiscal years' revenues, except through the issuance of bonds or bond anticipation notes. While permitted under Virginia law, the County has not issued and does not intend to issue any tax anticipation bonds or notes.

Published Financial Information

The County issues its Comprehensive Annual Financial Report (the "CAFR") for each fiscal year ended June 30. The financial statements for fiscal year ended June 30, 2019, have been audited by the independent public accounting firm of Cherry Bekaert, LLP, Richmond, Virginia. Sections of the CAFR corresponding to the General Purpose Financial Statements for the fiscal year ended June 30, 2019, are presented herein as Appendix B to this Official Statement. In addition to the CAFR, the County also prepares and publishes an annual budget and a six-year CIP. These documents are also available for inspection at the Department of Finance, Prince William County, One County Complex Court, Prince William, Virginia 22192. For more information about the County's CAFR refer to Appendix B. The CAFR and the current five-year budget, which is not incorporated herein, are available on the County website, <http://www.pwcgov.org>.

Cherry Bekaert, LLP, the County's independent auditor for fiscal year ended June 30, 2019, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Cherry Bekaert, LLP, also has not performed any procedures relating to this Official Statement, including this Appendix A.

Recognition of Achievement for Budgeting and Financial Reporting

The County has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada ("GFOA") for its annual financial reports for each fiscal year since the fiscal year ended June 30, 1981. The County has also received the GFOA's Award for Distinguished Budget Presentation for each fiscal year since the fiscal year 1988. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium.

GENERAL FUND FINANCIAL OPERATIONS

The General Fund is the County's primary operating fund and is used to account for all activities of the general government not accounted for in another fund. The General Fund derives revenue from County-wide ad valorem taxes (except for those levied for fire and sanitary districts and other amounts attributable to the Special Revenue Funds), other local taxes, licenses, fees, permits, charges for services, certain revenue from federal and Commonwealth governments, and interest earned on invested cash balances. Major General Fund expenditures include the costs of general County government operations and public services and the debt service payments of the general government. A significant portion of General Fund revenues is transferred to the School Board component unit, principally to finance a portion of the operations and debt service payments for the school system.

Fiscal Year 2019 Financial Results

The financial data presented in the tables and exhibits that follow is from the Prince William County, Comprehensive Annual Financial Report for fiscal year ended June 30, 2019.

The following is a summary of fiscal year 2019 General Fund financial results. General Fund Budgetary Revenue differs from General Fund actual revenue in that it excludes the effects of fair value adjustment to the carrying amounts of investments required by GAAP.

General Fund Budgetary Revenue was \$1,145,218,000 and was over the budget of \$1,130,639,000 by \$14,579,000, or 1.3 percent. The largest variances were due to higher General Property Taxes and Other Local Taxes, and from Use of Money and Property.

Budgetary Expenditures were \$1,144,829,000 and were under the budget of \$1,159,261,000 by \$14,432,000 or 1.2 percent. The major variances were in the categories of Public Safety, Health and Welfare, Parks and Recreation, and Community and Development.

The resulting Budgetary Revenues over budget and the Budgetary Expenditures under budget resulted in an Excess of Revenues over Expenditures of \$389,000 versus a budgeted deficiency of \$28,622,000.

Budgetary Actual Revenues for fiscal year 2019 compared to fiscal year 2018 Budgetary Revenues were higher by \$40,893,000 or 3.7 percent and Budgetary Expenditures were higher by \$48,436,000 or 4.4 percent.

Fiscal Year 2020 Preliminary Financial Results

A quarterly report on the status of the General Fund revenue and expenditure budget and trends is presented to the Board. The fourth quarter unaudited preliminary General Fund revenue update published on August 15, 2020, estimated a surplus of \$10.5 million or approximately 0.9 percent over the \$1.069 billion adopted budget for fiscal year 2020 general revenues. The fiscal year 2020 general revenue adopted budget of \$1.069 billion is approximately 5.2 percent above the fiscal year 2019 actuals. The major variances were a result of residential and commercial

appreciation as well as increases in new taxable business tangible property, mainly from data centers.

The quarterly unaudited preliminary report of the status of the General Fund expenditures and trends for the fourth quarter projected expenditures at year end to be 2.9 percent under the revised (excluding the transfer to schools, operating transfers, and restricted funds) general fund fiscal year 2020 budget of \$590.7 million. Actual, audited financial results for the County's fiscal year 2020 may be different.

The fiscal year 2020 Fourth Quarter Review reflects several adjustments necessary to fund fiscal year 2020 spending and reserve requirements. The COVID-19 pandemic and resulting economic turmoil made revenue forecasting particularly challenging given that many of the County's revenue categories (the County's portion of sales tax revenue, Business, Professional, and Occupational License (BPOL) revenue, Recordation Tax/Tax on Deeds, and Transient Occupancy Tax) are sensitive to economic conditions. Sales tax revenue remained strong pre-COVID-19, bolstered by internet sales, producing a surplus of \$2.1 million. Despite businesses closing storefronts and stay-at-home orders in place, consumers stockpiled groceries and household goods. A remote work environment led many to start home improvement projects which were reflected by increases in sales tax revenue from the building materials/home center industry. BPOL tax revenue collections produced a slight surplus of \$236,000. The tax is based upon 2019 business gross receipts that were due March 1st and reflect the strength of local business establishments pre COVID-19. While numerous programs implemented by the Federal Reserve calmed financial markets and CARES Act funds provided a measure of relief to businesses and consumers, those actions could not prevent the adverse impact of the pandemic to the nation's labor market and output. The County continuously monitors all revenue categories and will make any necessary fiscal year 2021 adjustments.

The following table summarizes revenues, expenditures, transfers, and changes in fund balance of the General Fund for fiscal years 2015 through 2019.

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GENERAL FUND REVENUES, EXPENDITURES, TRANSFERS AND CHANGES IN FUND BALANCE
(\$000's)

FISCAL YEAR	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
REVENUES⁽¹⁾					
Taxes	\$948,599	\$901,168	\$866,656	\$829,490	\$785,629
Licenses and Permits	2,070	2,057	2,119	2,295	2,493
Fines and Forfeitures	3,456	3,050	2,732	2,952	3,167
Revenues from Use of Money and Property	24,173	3,940	1,495	12,366	9,081
Charges for Services	<u>14,064</u>	<u>13,555</u>	<u>13,645</u>	<u>12,826</u>	<u>15,252</u>
Total Revenue from Local Sources	<u>\$992,362</u>	<u>\$923,770</u>	<u>\$886,647</u>	<u>\$859,929</u>	<u>\$815,622</u>
Intergovernmental Revenues	162,507	159,470	153,560	149,663	144,523
Miscellaneous Revenues	<u>9,616</u>	<u>11,522</u>	<u>23,385</u>	<u>13,550</u>	<u>13,916</u>
Total Revenues	<u>\$1,164,485</u>	<u>\$1,094,762</u>	<u>\$1,063,592</u>	<u>\$1,023,142</u>	<u>\$974,061</u>
EXPENDITURES					
Education	\$473,433	\$464,197	\$467,666	\$423,385	\$412,007
General Government Administration	45,704	42,300	44,340	39,122	37,651
Judicial Administration	22,512	21,052	21,292	20,175	19,681
Public Safety	259,115	240,310	226,047	219,365	208,385
Public Works	33,232	31,742	30,809	31,407	30,520
Health and Welfare	104,378	96,955	89,166	85,237	80,840
Parks, Recreation and Cultural	49,645	47,160	44,186	34,797	31,085
Community Development	10,767	10,769	11,632	8,168	7,861
Debt Service ⁽²⁾	<u>146,043</u>	<u>141,908</u>	<u>134,737</u>	<u>123,216</u>	<u>118,873</u>
Total Expenditures	<u>\$1,144,829</u>	<u>\$1,096,393</u>	<u>\$1,069,875</u>	<u>\$984,872</u>	<u>\$946,903</u>
Excess of Revenue Over expenditures	<u>\$19,656</u>	<u>(\$1,631)</u>	<u>(\$6,283)</u>	<u>\$38,270</u>	<u>\$27,158</u>
OTHER FINANCING					
Transfers In	\$48,562	\$40,964	\$34,377	\$31,014	\$28,470
Transfers Out	(67,116)	(38,388)	(55,155)	(43,280)	(29,090)
Non-Revenue Receipts	<u>382</u>	<u>285</u>	<u>318</u>	<u>2,162</u>	<u>697</u>
Total Other Financing Sources (Uses)	<u>(\$18,172)</u>	<u>\$2,861</u>	<u>(\$20,460)</u>	<u>(\$10,104)</u>	<u>\$77</u>
NET CHANGE IN FUND BALANCE	<u>\$1,484</u>	<u>\$1,230</u>	<u>(\$26,743)</u>	<u>\$28,166</u>	<u>\$27,235</u>
FUND BALANCE					
Fund Balance, Beginning of Year	<u>\$193,747</u>	<u>\$192,517⁽⁴⁾</u>	<u>\$219,015⁽³⁾</u>	<u>\$174,996</u>	<u>\$147,761</u>
Fund Balance, End of Year	<u>\$195,231</u>	<u>\$193,747</u>	<u>\$192,272</u>	<u>\$203,162</u>	<u>\$174,996</u>

Sources: Prince William County, Comprehensive Annual Financial Report, fiscal years 2015-2019, Exhibit 5.

Notes: ⁽¹⁾ The revenue is GAAP Revenue versus Budgetary Revenue. It includes the use of money and property, current and prior year fair value adjustments, and the effect of fair value adjustments to the carrying amounts of investments required by GAAP.
⁽²⁾ This category includes debt service on school bonds issued to the Virginia Public School Authority.
⁽³⁾ The County merged existing and created new funds for clarity of purpose, usefulness, and presentation.
The changes in reporting entity resulted in a restatement of 2016 financial information. For reference see Prince William County, Comprehensive Annual Financial Report, fiscal year 2017, Note 1, R.
⁽⁴⁾ The County dissolved the Convention and Visitors Bureau and merged its functions into the County's Department of Parks and Recreation, which resulted in a restatement of 2017 financial information. For reference see Prince William County, Comprehensive Annual Financial Report, fiscal year 2018, Note 1, R.

The following table summarizes fiscal year 2019 General Fund Final to Actual Budgetary Revenues and Budgetary Expenditures Variances.

General Fund Budget Variance (\$000's)			
	2019 Budget Final	2019 Actual	Variance
BUDGETARY REVENUES:⁽¹⁾			
REVENUE FROM LOCAL SOURCES:			
General Property Taxes	\$807,916	\$810,143	\$2,227
Other Local Taxes	133,193	138,456	5,263
Permits, Privilege Fees and Regulatory Licenses	2,066	2,070	4
Fines and Forfeitures	3,346	3,456	110
Revenue from Use of Money and Property	266	4,906	4,640
Charges for Services	14,856	14,064	(792)
Total Revenue from Local Sources	\$961,643	\$973,095	\$11,452
REVENUE FROM FEDERAL GOVERNMENT:	\$20,193	\$22,557	\$2,364
REVENUE FROM THE COMMONWEALTH:			
Noncategorical Aid	\$82,743	\$82,220	(\$523)
Shared Expenditures	5,488	6,458	970
Categorical Aid	21,032	21,563	531
Other Categorical Aid	22,220	21,975	(245)
Total Revenue from the Commonwealth	\$131,483	\$132,216	\$733
LOCAL GOVERNMENTS:	\$7,700	\$7,734	\$34
MISCELLANEOUS:	\$9,620	\$9,616	(\$4)
Total Budgetary Revenues	\$1,130,639	\$1,145,218	\$14,579
BUDGETARY EXPENDITURES:			
General Governmental Administration	\$47,318	\$45,704	\$1,614
Judicial Administration	23,110	22,512	598
Public Safety	261,972	259,115	2,857
Public Works	33,921	33,232	689
Health and Welfare	107,656	104,378	3,278
Education	473,517	473,433	84
Parks, Recreational and Cultural	52,023	49,645	2,378
Community Development	13,257	10,767	2,490
Debt Service	146,487	146,043	444
Total Budgetary Expenditures	\$1,159,261	\$1,144,829	\$14,432
Excess (Deficiency) of Budgetary Revenues Over (Under) Budgetary Expenditures	(\$28,622)	\$389	\$29,011

Source: Prince William County, Comprehensive Annual Financial Report, fiscal year 2019, Schedule 1.

Note: ⁽¹⁾ Budgetary Revenue excludes the use of money and property, current and prior year fair value adjustments, and the effect of fair value adjustments to the carrying amounts required by GAAP.

General Fund Revenues

General Fund revenues are derived principally from taxes and are used to support a number of government functions primarily education, public safety, and health and welfare services, and are available for payment of the debt service obligations of the County.

The following table shows the County General Fund tax revenues by source for each of the last five fiscal years. Total General Fund tax revenues increased by 5.3 percent in fiscal year 2019 compared to fiscal year 2018.

GENERAL FUND TAX REVENUES BY SOURCE Fiscal Year Ending June 30 (\$000's)

	<u>2019</u> ⁽¹⁾	<u>2018</u> ⁽²⁾	<u>2017</u> ⁽²⁾	<u>2016</u> ⁽²⁾	<u>2015</u> ⁽²⁾
General Property Taxes:					
Real Property Taxes	\$641,094	\$610,916	\$588,498	\$570,372	\$541,915
Personal Property Taxes	141,126	129,094	121,423	108,682	98,157
Public Service Property Taxes	20,296	20,706	19,998	18,831	17,589
Penalties and Interest	7,627	8,104	6,857	6,068	5,903
Total General Property Taxes	\$810,143	\$768,820	\$736,776	\$703,953	\$663,564
Other Local Taxes:					
Local Sales Tax	\$68,710	\$64,566	\$63,022	\$60,551	\$59,709
Utility Taxes	14,443	14,417	14,196	13,977	13,974
All Other Taxes	55,303	53,365	52,662	51,009	48,382
Total Other Local Taxes	\$138,456	\$132,348	\$129,880	\$125,537	\$122,065
Total General Fund Taxes	\$948,599	\$901,168	\$866,656	\$829,490	\$785,629

Sources: ⁽¹⁾Prince William County, Comprehensive Annual Financial Report, fiscal year 2019, Exhibit 5 and Schedule 1.

⁽²⁾Prince William County, Comprehensive Annual Financial Report, fiscal years 2015-2018, Exhibit 5 and Schedule 1.

General Property Taxes: An annual ad valorem tax is levied by the County on the assessed value of residential, commercial and public service utility, real and tangible personal property located within the County as of January 1 of the calendar year in which said tax is due. The personal property tax on motor vehicles that are moved into the County or title transferred after January 1 is prorated on a monthly basis. The ratio of the assessed value of property to its appraised value is calculated based on statutory authority equal to 100 percent of market value in the case of real property and 100 percent of average trade-in value for personal property. Real property taxes are due July 15 and December 5 of the fiscal year for which they are levied, and personal property

taxes are due October 5. The penalty for late payment of real or personal property tax is 10 percent of the amount due, and interest on delinquent taxes and penalties accrues at a rate of 10 percent per annum for the first year of delinquency, with the interest rate for subsequent years to be based on the average prime interest rate as determined semiannually. In cases of real property on which delinquent taxes are not paid within two years, the County may sell the property at public auction to pay the amounts due or seek civil judgments immediately upon delinquency. In the fiscal year ended June 30, 2019, real, personal and public service property taxes, together with penalties and interest thereon, represented 70.7 percent of total General Fund budgetary revenues.

The following table sets forth information concerning the County's property tax collection rate for fiscal years 2015 through 2019.

REAL PROPERTY TAX LEVIES AND COLLECTIONS

(\$000's except as indicated)

Fiscal Year	Total Adjusted Tax Levy⁽¹⁾	Collected During the Fiscal Year of the Levy	Percent of Levy	Collections in Subsequent Years	Percent of Levy Collected
2015	\$603,171	\$601,267	99.7%	1,487	99.9%
2016	630,485	629,017	99.8	930	99.9
2017	653,759	651,883	99.7	1107	99.9
2018	682,368	681,108	99.8	522	99.9
2019	714,169	712,882	99.8	-	99.8

Source: Prince William County, Comprehensive Annual Financial Report, fiscal year 2019, Table 10.

Note: ⁽¹⁾ Total tax levy includes gross real estate and public service taxes less adjustments to tax due made prior to payment.

There is no legal limit on property tax rates that may be levied by the County. The following table provides the real and tangible personal property tax rates per \$100 of assessed value located within the County. Personal property taxes are also levied on farmers' machinery and tools, mining and manufacturing tools, and aircraft at various rates ranging from \$0.00001 to \$2.00 per \$100 assessed value. In addition, special categories with a reduced personal property tax rate of \$0.00001 per \$100 assessed value have been established for vehicles utilized by volunteer firefighters, disabled persons and for van pool vans. There are four towns within the County in which the town councils also levy real property taxes at various rates on real property in the towns, and such taxes are in addition to property taxes levied by the County in such towns.

PROPERTY TAX RATES PER \$100 OF ASSESSED VALUE

Fiscal Year	2020	2019	2018	2017	2016
Real Property	\$1.125	\$1.125	\$1.125	\$1.122	\$1.122
Personal Property	3.7	3.7	3.7	3.7	3.7

Source: Prince William County, Department of Finance.

On April 28, 2020, the Board adopted the fiscal year 2021 real estate tax rate of \$1.125 per \$100 of assessed value.

In addition to the taxes levied for the General Fund shown above, the Board levies supplemental property taxes and fees for services located in specific taxing districts including volunteer fire services, highway transportation improvements, mosquito and forest pest management, and water and sewer system improvements. These amounts are recorded in various Special Revenue Funds.

The following information is for the fiscal year ended June 30, 2019.

General Sales Tax: The County, by a Board adopted ordinance, has elected to levy a one percent general retail sales tax to provide revenue for the General Fund. This tax is levied on the retail sale of rental or tangible property, excluding motor vehicle sales and trailers, vehicle rentals, boat sales, gasoline sales, natural gas, electricity, water, non-prescription drugs, and the purchases of organizations that have received tax exemption. The tax revenue is collected by the Virginia Department of Taxation, and is distributed to the County monthly. Sales taxes accounted for 6 percent of total General Fund budgetary revenues in fiscal year 2019.

Consumer Utility Tax: The County levies a consumer utility tax on electric and natural gas (the Commonwealth taxes telephones and the County does not tax water/sewer usage). Residential users pay a minimum billing charge per utility billed, with a graduated increase based on usage not to exceed \$3.00 per month per utility. Commercial users pay a minimum billing charge of \$3.35 and \$2.29 respectively for natural gas and electricity, with graduated increases based on usage, not to exceed \$100.00 per month per utility. In fiscal year 2019, utility taxes represented 1.3 percent of total General Fund budgetary revenues.

Other Taxes: Other taxes include business, professional and occupational license taxes, property recordation taxes, motor vehicle license taxes, and transient occupancy taxes charged on hotel and motel rooms. For fiscal year 2019, these taxes represented 4.8 percent of total General Fund budgetary revenues.

Licenses and Permits: The County requires that licenses and permits be obtained in order to perform certain activities in the County and fees paid for services provided by certain County Departments. For fiscal year 2019, these revenues accounted for 0.2 percent of total General Fund budgetary revenues.

Fines and Forfeitures: Court fines and some recovered costs, including those levied for traffic violations are recorded in this category. Revenues in this category accounted for 0.3 percent of total budgetary General Fund revenues for fiscal year 2019.

Revenue from Use of Money and Property: The principal source is interest on investments and gains or losses from the sale of investments. For fiscal year 2019, these revenues accounted for 0.4 percent of total General Fund budgetary revenues.

Charges for Services: Charges for services include all revenue derived from service or user charges for which the County charges a fee including County clerk fees, recreation fees,

publication sales, and various other services. For fiscal year 2019, these revenues amounted to 1.2 percent of total General Fund budgetary revenues.

Intergovernmental Revenue: The County is reimbursed by the Commonwealth for a portion of shared expenses including certain expenditures for social services, the Sheriff's Office, courts, the Office of the Commonwealth's Attorney, and other constitutional offices. The County also receives a share of certain other Commonwealth contributions. In addition, the General Fund accounts for the receipt of certain grants for the administration of social service and other programs. For fiscal year 2019, intergovernmental revenues amounted to 14.2 percent of total General Fund budgetary revenues.

Miscellaneous Revenue: Miscellaneous revenue includes developer cash proffers for capital improvements, donations, expenditure refunds, and other revenue. Miscellaneous revenue accounted for 0.8 percent of fiscal year 2019 total General Fund budgetary revenue.

General Fund Expenditures

Costs of General County Government: The County pays from the General Fund the costs of general County government. These costs include expenditures for general government administration, judicial administration, public safety, public works, health and welfare, parks, recreation and cultural, community development and general debt service. For fiscal year 2019, this classification represented approximately 55.4 percent of total General Fund expenditures and transfers out.

Transfer to School Fund: The County transfers money from the General Fund to the School Board component unit to pay a portion of the costs of operating public schools in the County. This transfer represented approximately 39.0 percent of total General Fund expenditures and transfers out in the fiscal year ended June 30, 2019. The transfer to the School Board component unit represents approximately 49.6 percent of total sources of the School Board's General Fund Revenue and Transfers In. Other revenues credited directly to the School Board component unit include revenues from the federal government, the Commonwealth, and other revenue derived locally from school lunches and other charges to students. Debt service on County general obligation bonds for school purposes is paid from the County's transfer to the School Board component unit. Revenues from the federal government and the Commonwealth that are credited directly to the School Board component unit are not available to pay debt service on County general obligation bonds.

Transfer to Capital Project Funds: The County provides for certain capital expenditures directly from the General Fund. In fiscal year 2019, transfers to the Capital Project Fund represented approximately 4.8 percent of total General Fund expenditures and transfers out.

Other Transfers Out: The County also provides for other transfers out directly from the General Fund. In fiscal year 2019, approximately 0.73 percent of total General Fund expenditures and transfers out went to Special Revenue, Internal Service and Enterprise Funds.

Changes in General Fund Balance

As shown in the following table, the County has maintained its unassigned General Fund Balance in each of the past five fiscal years consistent with its Principles of Sound Financial Management requiring an unassigned General Fund balance of not less than 7.5 percent of the General Fund revenues in each fiscal year. These Principles of Sound Financial Management were initially adopted by the Board in December 1988, and the most recent update was adopted in April 2018. The County's goal of having an unassigned reserve of 7.5 percent by the end of fiscal year 2007 was reached a year early in fiscal year 2006 and has been maintained in each subsequent year.

In addition, but separate from the County's unassigned General Fund Balance, the County maintains a Revenue Stabilization Fund to provide the County with sufficient working capital and a margin of safety to withstand local and regional economic shocks, and unexpected declines in revenue without borrowing. The Principles of Sound Financial Management require that the Revenue Stabilization Fund balance will not be less than 2.0 percent of the year's General Fund revenues within each year of the five-year fiscal planning cycle beginning in fiscal year 2017. The Revenue Stabilization Fund may be used to cover unexpected declines in General Fund revenues greater than 3.0 percent as compared to the current fiscal year adopted budget. The Revenue Stabilization Fund can only be appropriated by resolution of the Board. If the Revenue Stabilization Fund is used, the policy requires the County to take measures necessary to replenish its balance to the minimum 2.0 percent level within five years following the year(s) in which it was used. The Revenue Stabilization Reserve balance at the end of fiscal year 2019 was \$23,289,000, which met the 2.0 percent of General Fund revenue requirement.

The County also maintains a separate Capital Reserve to provide a source of funding for one-time capital expenditures. The Principles of Sound Financial Management require that the Capital Reserve balance will be not less than 2.0 percent of the current Capital Projects Funds Appropriations included in the Adopted six-year CIP. The balance in this reserve at June 30, 2019, was \$46,206,000.

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The following table shows the County's General Fund balance as of June 30, 2015, through 2019:

**GENERAL FUND BALANCES
FISCAL YEAR ENDED JUNE 30
(\$000's)**

<u>Fund Balances</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016⁽¹⁾</u>	<u>2015</u>
Non-spendable	\$396	\$288	\$178	\$151	\$178
Restricted	9,524	9,941	10,350	8,366	13,224
Committed	88,951	89,315	92,852	127,049	58,692
Assigned	9,025	12,096	9,123	7,775	29,847
Unassigned	<u>87,335</u>	<u>82,107</u>	<u>79,769</u>	<u>75,674</u>	<u>73,055</u>
Total General Fund Balance	\$195,231	\$193,747	\$192,272	\$219,015	\$174,996
Total General Fund Balance as a % of General Fund Revenues	16.77%	17.70%	18.08%	21.40%	17.97%
Unassigned General Fund Balance as a % of General Fund Revenues	7.50%	7.50%	7.50%	7.50%	7.50%

Source: Prince William County, Comprehensive Annual Financial Report, fiscal year 2019, Table 3.

Note: ⁽¹⁾ The County merged existing and created new funds for clarity of purpose, usefulness, and presentation. The changes in reporting entity resulted in a restatement of 2016 financial information. For reference see Prince William County, Comprehensive Annual Financial Report, fiscal year 2017, Note 1, R.

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SUMMARY OF THE BUDGET FOR FISCAL YEAR 2021

The following table summarizes the sources and uses of funds in the fiscal year 2021 adopted budget.

GENERAL FUND BUDGET FOR FISCAL YEAR 2021 (Adopted)

Revenues and Transfers		Expenditures and Transfers	
General Property Taxes	\$ 947,255,886	Community Development	\$ 75,894,967
Other Local Taxes	134,109,000	General Governmental	76,977,915
Revenue from Use of Money and Property	8,923,520	Human Services	137,663,622
Intergovernmental Revenue		Public Safety	295,873,398
Revenue from Federal Gov	21,004,971	General Debt ⁽¹⁾	52,892,430
Revenue from Commonwealth	87,906,399	Cash Funding of Capital Construction	-
Revenue from Other Localities	7,030,685	Transfer to Schools	627,193,812
Permits, Fees, and Licenses	1,929,001	Unclassified Administrative ⁽²⁾	18,752,556
Fines and Forfeitures	3,420,771		
Charges for Services	14,503,369		
Miscellaneous Revenue	2,581,467		
Transfers from Other Funds	54,871,016		
Other Resources	1,712,615		
Total	\$1,285,248,700	Total	\$1,285,248,700
		Net Revenue & Resources Available	\$0

Source: Prince William County, fiscal year 2021 Adopted Budget.

Notes: ⁽¹⁾ Excludes debt service on general obligation school bonds (debt service for school bonds is contained in the School Board budget).

⁽²⁾ The adopted budget includes the majority of this amount for self-insurance costs and non-classified internal service fund costs.

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Overview of Fiscal Year 2020 and 2021 Adopted Budgets

The following shows the County's Total Revenues and Resources, and Total Expenditures from the Adopted Budgets for fiscal year 2020 and fiscal year 2021 as originally adopted by the Board. Certain changes approved by the Board (e.g., budget carryovers) are made after the original adopted budget is published.

The fiscal year 2020 budget was adopted by the Board, at its April 30, 2019, meeting. The fiscal year 2021 budget was adopted by the Board, at its April 28, 2020, meeting. Additional fiscal year 2020 and fiscal year 2021 budget information is available on the Prince William County web site at <http://www.pwcgov.org>.

	<u>Fiscal Year 2020 Original Adopted Budget</u>	<u>Fiscal Year 2021 Original Adopted Budget</u>
Revenue and Resources:		
General Revenue	\$1,068,994,000	\$1,100,483,000
Agency Revenue	165,240,354	177,765,931
County Resources	<u>4,928,146</u>	<u>6,999,769</u>
Total Revenue & Resources Available⁽¹⁾	\$1,239,162,500	\$1,285,248,700
Expenditures:		
County Government	\$631,898,404	\$659,906,219
Transfer to Schools	<u>607,264,096</u>	<u>625,342,481</u>
Total Expenditures⁽¹⁾	\$1,239,162,500	\$1,285,248,700

Sources: Prince William County, fiscal year 2020 and 2021 Adopted Budgets.

Notes: ⁽¹⁾ Totals may not add due to rounding.

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Fiscal Year 2020 General Fund Budget (Adopted)

<u>Expenditure by Classification:</u>	<u>Fiscal Year 2020 Adopted</u>
Personal Services	\$280,104,806
Fringe Benefits	92,880,836
Contractual Services	35,539,916
Internal Services	39,642,521
Other Services	67,666,099
Debt Maintenance	36,908,994
Capital Outlay	6,684,531
Leases and Rentals	9,167,877
Reserves and Contingencies	(7,546,055)
Transfers Out ⁽¹⁾	678,112,975
Total General Fund Expenditures	\$1,239,162,500
<u>Funding Sources:</u>	
General Property Taxes	\$905,741,533
Other Local Taxes	137,901,500
Permits, Privilege Fees and Regulatory Licenses	2,114,001
Fines and Forfeitures	3,120,771
Revenue From Use of Money and Property	14,593,520
Charges for Services	14,574,460
Miscellaneous	4,813,963
Revenue From Other Localities	8,705,220
Revenue From the Commonwealth	76,615,336
Revenue From the Federal Government	19,933,315
Transfers In ⁽¹⁾	51,140,970
Total General Fund Revenue	\$1,239,254,589
Other Resources	\$(92,089)
Total General Fund Revenue and Other Resources	\$1,239,162,500
Revenue and Other Resources Over / (Under) Expenditures	\$0

Source: Prince William County, fiscal year 2020 Budget.

Note: ⁽¹⁾ Excludes Transfers within the General Fund.

In addition to an annual budget, the County adopts a five-year fiscal plan. The County's General Revenue Committee considers a broad variety of national, Commonwealth, and County sources when developing a five-year revenue forecast. Due to the COVID-19 pandemic that continues to reflect the County's economy in an unprecedented manner, the County faces many unknowns, and the Board of County Supervisors did not consider approving the five-year fiscal plan at budget adoption for fiscal year 2021. The most recent five-year fiscal plan for fiscal years 2020-2024 forecast assumed stable growth.

Fiscal Year 2020 General Fund Resource and Expenditure Adopted Budget

	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>
Revenue and Resources:					
General Revenue	\$1,068,994,000	\$1,112,695,000	\$1,156,811,000	\$1,199,550,000	\$1,243,019,520
Agency Revenue	165,240,354	165,388,250	165,660,741	167,590,030	167,930,685
County Resources	<u>4,928,146</u>	<u>4,251,525</u>	<u>3,917,609</u>	<u>3,565,429</u>	<u>3,522,786</u>
Total County Revenue and Resources Available	<u>\$1,239,162,500</u>	<u>\$1,282,334,775</u>	<u>\$1,326,389,350</u>	<u>\$1,370,705,459</u>	<u>\$1,414,472,991</u>
Expenditures:					
County Government	\$610,990,984	\$629,726,568	\$639,403,722	\$653,759,596	\$667,206,965
Transfer to Schools	607,264,096	632,216,949	657,407,305	681,809,605	706,629,981
County CIP	<u>20,907,420</u>	<u>19,896,160</u>	<u>28,301,348</u>	<u>34,769,848</u>	<u>40,105,632</u>
Total Expenditures	<u>\$1,239,162,500</u>	<u>\$1,281,839,677</u>	<u>\$1,325,112,375</u>	<u>\$1,370,339,049</u>	<u>\$1,413,942,578</u>
Total Revenue and Resource Balance	\$0	\$495,098	\$1,276,975	\$366,410	\$530,413
Real Estate Tax Rate	\$1.125	\$1.125	\$1.125	\$1.125	\$1.125

Source: Prince William County, fiscal year 2020 Adopted Budget. The Board of County Supervisors did not adopt the five-year fiscal plan at the adoption of the fiscal year 2021 Budget.

COVID-19 Impact on the Fiscal Year 2021 Adopted Budget

On February 18, 2020, the County Executive presented his fiscal year 2021 Proposed Budget Plan to the Board of Supervisors. The Fiscal Year 2021 Proposed Budget was based on the proposed adoption of an increased real estate tax rate from \$1.125 to \$1.145 per \$100 of assessed value as well as a \$0.05 increase to business tangible property tax rate for computer and peripheral equipment, generating general revenues of \$1,137,426,000. Additional agency revenues of \$176,639,083 and County resources of \$5,018,445 would have brought the Proposed fiscal year 2021 Budget funding total to \$1,319,053,818, which would have been a 6.45 percent increase above the fiscal year 2020 Adopted Budget. County support to Prince William County Public Schools would have been equal to \$646 million, which would have been a 6.4 percent increase over the fiscal year 2020 Adopted Budget. Also, funding would have been provided for employee compensation and additional funds toward Board priorities such as special education private day placements, environmental initiatives, body-worn cameras, police and fire positions.

On April 28, 2020, the Board of County Supervisors adopted the County fiscal year 2021 budget after revisions prompted by the new economic realities associated with the COVID-19 pandemic. However, the County's Board did not approve the five-year fiscal plan at budget adoption. The adopted \$1.7 billion budget was based on a flat real estate tax rate of \$1.125 per \$100 of assessed value. Additionally, the Board voted to increase the business tangible personal property tax rate for computer and peripherals from \$1.25 to \$1.35 per \$100 of assessed value and increase the vehicle license tax on automobiles and motorcycles to fund new programs aimed at helping citizens cope with the economic impact of the COVID-19 pandemic. The adopted fiscal year 2021 budget's general revenues would generate \$31.5 million in additional revenues over fiscal year 2020. Spending adjustments would be refocused on essential services only, which would include the elimination of employee compensation increases for most County workers and the implementation of a hiring freeze unless the position is required for public safety related to the pandemic. Other decreases in spending include the postponing of large construction projects that are not under contract, decreasing parks field maintenance, and partially decreasing the Transportation and Roadway Improvement Program funds which board members use in their districts for transportation related infrastructure improvements. Additional reductions and savings include reducing the transfer to the Adult Detention Center, delaying radio replacements, and savings from fuel costs and the County's community partnership program. The Board of County Supervisors plans to review the County's budget on a quarterly basis and to make revisions as needed.

The Local Economy

Prior to the COVID-19 pandemic, the County's economy had shown signs of continued strengthening in many aspects, including improving unemployment and job creation, and healthy household incomes. The residential real estate market began to strengthen in 2011, and continued that trend throughout 2019, with moderate increases in average sale prices and declining monthly foreclosures.

In January 2019, assessed value of all residential properties (including apartments) was \$52.06 billion, an increase of over \$2.27 billion, or 4.56 percent from 2018. Residential properties (including apartments) currently account for 81.81 percent of the total Land Book real property assessed value including public service parcels. Factors that helped boost the market, despite increasing mortgage rates, were improving economic indicators such as employment and growth, and strong sales activity compared to available inventory of homes for sale.

The average sale price for a home in the County in December 2019 was \$400,443. This represents a decrease of 5.44 percent year-over-year. The number of homes sold in the County in December 2019 was 536, an increase of 28.23 percent over 2018. The average number of days a home in the County was on the market was 29 in December 2019, compared to 40 days in December 2018.

According to the Metropolitan Regional Information Systems (MRIS) sales data for June 2020, the average residential sales price of \$452,945 represents a year-over-year gain of 8.62 percent. The number of sales for the same period were essentially flat at 780 units with an increase of 0.26 percent when compared to June 2019. The County's residential market experienced a decrease in active listings, down 59.8 percent, when compared to the same period in 2019. On

average, units are 18 days on the market, a decrease from 20 days the same period last year. New listings within Prince William County's residential real estate market slowly reemerged during May and June after falling 23.6% in April. June new listings tallied 822, but still trailed the 2020 high of 972 listings established in March. Despite the disruption COVID-19 has cast, supply constraints continue to benefit sellers of residential properties.

In December 2019, according to CoStar Realty Group, the County's commercial inventory included 48.2 million sq. ft. of space in 2,119 buildings, with 2.71 million sq. ft. of available space. The County's commercial sector, particularly in terms of vacancy rates has strengthened, prior to the outbreak of the COVID-19 pandemic.

Revenue sources, such as local sales tax and Business Professional and Occupational License ("BPOL"), have seen increases over the last year as well. Based on the fourth quarter unaudited preliminary revenue and expenditures report for fiscal year 2020, a total of \$70.3 million sales tax revenue was reported, an annual increase of 2.3 percent over fiscal year 2019. Sales tax revenue for fiscal year 2019 was 3.9 percent over budget, exceeding the 3.0 percent forecast. BPOL tax revenue for fiscal year 2020 was reported at \$28.2 million, an annual increase of 4.8 percent over fiscal year 2019.

Consistent with its Principles of Sound Financial Management, the County actively manages its budget to ensure revenue and expenditures remain in balance. Adherence to these principles requires the County's five-year fiscal plan to be balanced in every year.

Overview of Expenditures and Transfers

The General Fund cost per capita of government services in fiscal year 2021 when adjusted for inflation is \$2,160 compared to 2008's cost per capita of \$2,217, a decrease of 2.5 percent from fiscal year 2008 to fiscal year 2021. During that same period, the population of the County increased 20.5 percent from 388,269 in fiscal year 2008 to a budgeted estimate of 467,917 in fiscal year 2021, an average increase of 1.6 percent per year.

The fiscal year 2021 adopted budget for general County government services is \$659.9 million or a 4.4 percent increase over the fiscal year 2020 adopted budget. The General Fund transfer to the school fund increased by 3.0 percent to \$625.3 million.

The adopted fiscal year 2021 budget utilized the following strategic goals during the planning process. The County anticipates maintaining this emphasis over the next several years.

- Robust Economy
- Mobility
- Well-Being
- Safe and Secure Community
- Workforce Development

On April 28, 2020, the Board adopted a real estate tax rate of \$1.125 per \$100 of assessed value for the fiscal year 2021 budget, which includes \$1,285 million in General Fund budget expenditures. The adopted tax rate resulted in an average residential tax bill increase of 3.94

percent and a corresponding increase in average commercial tax bills of 5.26 percent. At the adopted \$1.125 tax rate, total general revenue in fiscal year 2021 is projected to increase compared to fiscal year 2020 revenue projections, providing capacity to fund operating budget increases and Capital Improvement Program projects.

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CAPITAL IMPROVEMENT PROGRAM

The Board annually considers and approves a six-year Capital Improvement Program (“CIP”) as part of the budget process. The CIP is the capital infrastructure component of County’s fiscal plan, an important part of the County’s five-year fiscal plan, and an implementation tool for the County’s Strategic and Comprehensive Plans. The CIP is guided by these plans and the Principles of Sound Financial Management. Together, these policy documents require that the CIP incorporate level of service standards identified in the Comprehensive Plan, the goals and strategies of the Strategic Plan, the debt financing policies in the Principles of Sound Financial Management, and integrate County government projects with school projects, making one affordable plan. These guidelines are designed to maintain tax-supported debt expenditures at less than 10 percent of total revenues (less certain pledged revenues) and to maintain the ratio of tax-supported debt to net assessed value of property in the County at less than 3 percent.

The 2021-2026 CIP was adopted by the Board on April 28, 2020. The CIP includes several of the facilities and the amenities necessary for an improved quality of life considering the current improving economic climate. The CIP includes projects in community development, education, human services, public safety, technology improvements, and transportation projects. State and federal funding is being leveraged with local funding to support road projects. Fee revenues will fund new solid waste projects, watershed projects, and a development services information technology project. Education projects continue to comprise the majority of the CIP, with over \$744.2 million of expenditures planned over the plan period. The following is a summary of projects included in the 2021-2026 CIP:

- Funding for transportation projects includes Route 1 (Featherstone Road to Mary’s Way), Route 28 (Infantry Lane to Fitzwater Drive and Pennsylvania Avenue to Linton Hall Road), Balls Ford Road Interchange and Widening, Brentsville Road and University Boulevard Interchanges. Also included are the Fuller Road and Fuller Heights Road improvements, Neabsco Mills Road (Route 1 to Dale Boulevard), Vint Hill Road (Schaeffer Lane to Sudley Manor Drive), the Potomac/Neabsco Mills Commuter Garage, and Schaeffer Lane to Sudley Manor Drive;
- In the area of public safety, the CIP includes the construction of two new Fire & Rescue Stations: Station 22 (Groveton) and Station 27 (East End). Additionally, funding is included for the next expansion of the Adult Detention Center, a new Animal Shelter, and security enhancements at County Facilities;
- In the area of community development, funding for parks and recreation has been provided for improvement of trail segments and sports field improvements, in addition to funding allocated for drainage and storm water improvements to the County’s watersheds;
- Solid waste administration projects include capping existing cells, creating new cells, and mitigating wetland impacts caused by the creation of new cells; and

- Technology improvements include upgrades to cable equipment and upgrades or replacements to major technology infrastructure for finance, human resources, public safety, human services and development services systems.

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Fiscal Years 2021 - 2026 CIP SOURCE AND EXPENDITURE AREA SUMMARY
(\$000's)

Source	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	Total⁽²⁾
Debt	\$64,663	\$229,301	\$59,847	\$105,957	\$178,000	\$68,062	\$705,830
State/Federal	60,385	97,242	70,987	18,171	2,734	2,734	252,252
Schools – Cash Funded Projects	30,997	24,626	57,607	39,848	39,785	426	193,289
NVTA 30% & 70% Funding	45,897	50,204	27,850	18,422	0	0	142,373
General Fund	12,862	7,037	4,307	4,001	4,000	4,000	36,207
Capital Reserve	8,506	4,389	738	0	0	0	13,634
Stormwater Management Fees	2,196	4,200	4,500	4,000	3,000	2,950	20,846
Solid Waste Fees	3,136	4,736	1,568	3,356	4,830	4,746	22,372
Fire Levy	356	0	0	0	0	0	356
Proffers	3,667	2,224	767	192	0	0	6,850
Internal Services Fund Balance	4,207	381	0	0	0	0	4,588
ADC Fund Balance	5,949	0	0	0	0	0	5,949
Recordation Tax	1,029	1,115	1,115	0	0	0	3,259
Service Authority Reimbursement	480	480	120	0	0	0	1,080
Other Revenue	2,497	1,676	0	0	0	0	4,174
Grand Total ⁽²⁾	\$262,854	\$407,685	\$305,577	\$221,412	\$244,533	\$88,328	\$1,530,388

Expenditure Area	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	Total⁽²⁾
Community Development	\$17,935	\$18,318	\$10,797	\$11,526	\$11,830	\$11,696	\$82,102
Education ⁽¹⁾	245,803	137,712	138,355	212,285	68,488	0	802,643
Public Safety	28,597	7,703	7,450	5,500	0	0	49,250
Technology Improvements	14,395	7,082	1,600	0	0	0	23,077
Transportation	111,090	152,357	102,240	36,616	2,734	2,734	407,770
Grand Total ⁽²⁾	\$262,854	\$407,685	\$305,577	\$221,412	\$244,533	\$88,328	\$1,530,388

Sources: Prince William County Capital Improvement Program, fiscal years 2021-2026 and Prince William County Schools Proposed Capital Improvement Program, fiscal years 2021-2030.

Notes: ⁽¹⁾ Schools and Education data is a ten-year plan and based on project completion dates. Includes prior year unspent appropriations.

⁽²⁾ Totals may not add due to rounding.

CASH AND INVESTMENT MANAGEMENT

The County maintains a cash and investment management program for the safeguarding and efficient management of its funds. The investment of funds is administered in accordance with the Code of Virginia and the County's written Investment Policy. The day-to-day investment of funds is directed by the County's Director of Finance/CFO. An Investment Oversight Committee ("IOC") made up of senior County staff members and two citizen representatives monitors the performance and structure of the County's portfolio. A Quarterly Investment Performance Report on the status of the County's portfolio and investment performance with respect to its Investment Policy is provided to the IOC, the County Executive and to the Board. The Investment Policy is reviewed annually by the IOC and any proposed amendments are reviewed and endorsed by the County Executive and then forwarded to the Board for consideration and approval.

For the fiscal year ended June 30, 2020, the amortized value of the County's General Portfolio totaled \$1,114 million with maturities ranging from one day to ten years. The weighted average days to maturity of the portfolio as of June 30, 2020, was approximately 3.4 years.

The County invests funds primarily in U.S. Government Obligations, municipal bonds, commercial paper, corporate bonds, negotiable and non-negotiable certificates of deposit, the Commonwealth's Local Government Investment Pool ("LGIP"), and money market mutual funds. The County's Investment Policy, available on the County's website at <https://www.pwcgov.org/government/dept/finance/Documents/Prince%20William%20County%20Investment%20Policy.pdf>, provides the full listing of authorized investments.

General Obligation Bond proceeds are invested in accordance with the requirements and restrictions outlined in bond documents. The majority of bond proceeds are invested in the Virginia State Non-Arbitrage Program ("SNAP").

EMPLOYEES' RETIREMENT PLANS

The County (including the Adult Detention Center, component unit) contributes to the Virginia Retirement System ("VRS"), a Virginia Executive Branch agency multiple-employer public employee retirement system that acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia. Professional and non-professional employees of the School Board are also covered by the VRS. All full time, salaried permanent employees are automatically covered by VRS upon employment. Benefits vest after five years of service credit. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. VRS also provides death and disability benefits. These benefit provisions and all other requirements are established by Virginia statute. For the fiscal years ended June 30, 2019, and 2018, respectively, the County paid \$35,335,000 and \$31,711,000 in contributions towards the Plan, while the County's fiduciary net position was \$1,128,156,000 as of June 30, 2018. As of July 1, 2018, the total pension liability was \$1,287,860,000. The actuarially determined contributions of the plan are fully funded as of June 30, 2019. VRS issues a publicly available CAFR that includes financial statements and required supplementary information for the plans administered by VRS. The report may be obtained from the VRS website

<https://employers.varetire.org/publications/#annual-reports> or by writing to the VRS Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

The County also provides a Supplemental Plan for Police Officers, uniformed Fire and Rescue personnel and sworn Adult Detention Center and Sheriff's Office employees, administered by the Supplemental Plan's Board of Trustees. The Supplemental Plan became effective July 1, 1985, and was most recently amended on April 30, 2019. The Plan provides retirement and death benefits to plan members and beneficiaries upon retirement. The benefit amount takes into account the length of service and the compensation paid by the County to such employees with recognition given to the benefits that will be provided by the VRS. Participants vest 100 percent in the benefit provided under the Supplemental Plan upon attainment of the participant's normal retirement date. Participants are considered vested and eligible for early retirement after 20 years of credited service, but the benefits are reduced. For the fiscal years ended June 30, 2019, and 2018, respectively, the County paid \$1,372,000 and \$1,294,000 in contributions towards the Supplemental Plan, while the County's fiduciary net position was \$41,679,000 as of June 30, 2019. As of June 30, 2019, the total pension liability for the Supplemental Plan was \$41,165,000. The actuarially determined contributions of the plan are fully funded as of June 30, 2019.

The County Volunteer Fire and Rescue Personnel Length of Service Award Program ("LoSAP Plan") was established on July 1, 1997, and amended on May 10, 2016. The LoSAP Plan is a multi-employer defined benefit pension plan that includes twelve volunteer companies that provide retirement benefits for certain vested volunteer fire and rescue personnel who retire from their volunteer fire and rescue company. For the fiscal years ended June 30, 2019, and 2018, respectively, the County paid \$941,000 and \$798,000 in contributions towards the LoSAP Plan, while fiduciary net position was \$17,050,000 as of June 30, 2019. As of June 30, 2019, the total pension liability for the LoSAP Plan was \$27,825,000. The actuarially determined contributions of the plan are fully funded as of June 30, 2019.

Additional information regarding the County Employees' Retirement Plans can be found in the County's Comprehensive Annual Financial Report, fiscal year 2019, Note 13 and Schedules 3 through 5.

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The County provides Group Life Insurance through a multiple-employer agent defined cost-sharing plan administered by the VRS. This plan provides retirees with life insurance coverage to ultimately 25% of their last salary rate. The County elects to pay the employee component with the employer component of the contribution totaling 1.31% of covered employee compensation. The County contributed 100% of the actuarially determined contributions. Contributions were \$3,679,000 and \$3,637,000 for June 30, 2019 and 2018, respectively, while the County's fiduciary net position was \$22,302 as of June 30, 2018. As of June 30, 2018, the total OPEB liability was \$43,541,000.

The County provides limited post-retirement health and dental benefits as provided by Virginia law to retirees who have 15 or more years of service with the County through a multiple-employer agent defined plan administered by the VRS. The retirees are granted the option to

participate by paying 100% of their monthly health insurance premium less 1.50 times years of service for a maximum credit of \$45.00 from the VRS. The insurance credit is financed by payments from the County to the VRS, calculated at 0.18% of creditable compensation. The County contributed 100% of the actuarially determined contributions. For the years ended June 30, 2019, and 2018, the County paid \$460,000 and \$437,000, respectively, while the County's fiduciary net position was \$3,648,000 as of June 30, 2018. As of July 1, 2018, the total OPEB liability was \$7,508,000. Additionally, the County offers post-retirement medical benefits premium and medical benefits credit plans. The plans are single-employer defined benefit post-employment healthcare plans that cover eligible retired employees and Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") eligible employees of the County including all departments and agencies. Participants in the Premium Plan pay 100 percent of published blended rates. Coverage ends at age 65. For the Retiree Health Insurance Credit Plan, the County will pay \$5.50 per month, per eligible County retiree per year of service if they attained 15 or more years of service with the County. The Line of Duty Act ("LODA") plan provides death, disability, and healthcare benefits for public safety employees and volunteer firefighters who hold specific hazardous duty positions and die or become permanently disabled in the line of duty. For the fiscal year ended June 30, 2019, the County paid \$1,521,000 in contributions towards the Premium Plan, while the County's fiduciary net position was \$17,520,000 as of June 30, 2019. As of June 30, 2019, the total OPEB liability for the Premium Plan was \$25,053,000. The actuarially determined contributions of the plan are fully funded as of June 30, 2019.

For the fiscal year ended June 30, 2019, the County paid \$1,977,000 in contributions towards the Retiree Health Insurance Credit Plan, while the County's fiduciary net position was \$17,881,000 as of June 30, 2019. As of June 30, 2019, the total OPEB liability for the Premium Plan was \$35,949,000. The actuarially determined contributions of the plan are fully funded as of June 30, 2019.

For the fiscal year ended June 30, 2019, the County paid \$1,526,000 in contributions towards the Line of Duty Act Plan, while the County's fiduciary net position was \$14,491,000 as of June 30, 2019. As of June 30, 2019, the total OPEB liability for the Premium Plan was \$20,013,000. The actuarially determined contributions of the plan are fully funded as of June 30, 2019.

The County and School Board contract with an actuarial firm to compute the impact and costs of its OPEB liabilities on a biennial basis, and the County and School Board fully fund their OPEB liabilities through the County's OPEB Master Trust Fund. The latest actuarial consultant valuation was as of January 1, 2018. Interim valuations for trending were provided by the County Finance Department. The County's and Schools' net OPEB liabilities (not including VRS plans) were approximately \$54.5 million as of June 30, 2019, and the actuarially determined contributions to the County's OPEB Master Trust Fund and Schools benefits paid were approximately \$8.7 million for fiscal year 2019. The County and School Board contributed \$6.8 million to the County's OPEB Master Trust Fund and Schools benefits paid \$3.1 million for fiscal year 2019, which was 114 percent of the actuarially determined contribution.

Biennially calculated actuarially determined contributions are used as a guide to determine the annual OPEB cost which is calculated based on an amount actuarially determined in accordance with the parameters of GASB Statement 45. Calculation of actuarial amounts are

developed using the projected unit cost method for County plans and entry age normal cost method for School Board plans. The most recent biennial actuarial valuation was as of July 1, 2018, for Schools and January 1, 2018, for the County.

Additional information regarding the County retirees' OPEB Plans and the County OPEB Master Trust Fund can be found in the County's Comprehensive Annual Financial Report, fiscal year 2019, Notes 14 and Schedules 6 through 10.

CONTINGENT LIABILITIES

The County is contingently liable with respect to lawsuits and other asserted and unasserted claims that arise in the ordinary course of its operations. It is the opinion of the County's management, and the County Attorney, that any losses that may ultimately be incurred as a result of these lawsuits and claims will not have a material adverse effect on the County's ability to meet its financial obligations.

The County receives financial assistance from numerous federal and Commonwealth of Virginia agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreement and are subject to audit by the grantor agencies. Any disallowed expenditures resulting from such audits could become a liability of the General Fund or other applicable funds. In the opinion of County management, if any refunds result from disallowed expenditures by grantor agencies, these refunds will not have a material adverse effect on the County's ability to meet its financial obligations.

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SECTION III - DEBT ADMINISTRATION

DEBT OF THE COUNTY

Authority to Borrow

Pursuant to the Virginia Constitution and the Code of Virginia, a county in Virginia is authorized to issue general obligation bonds secured by a pledge of its full faith and credit. For the payment of such bonds the governing body of the county is required to levy, if necessary, an annual ad valorem tax on all property in the county subject to local taxation.

Limits on Indebtedness

Although the issuance of bonds by Virginia counties is not subject to statutory limitation, counties generally are prohibited from issuing general obligation bonds unless the issuance of such bonds has been approved by public referendum. This referendum requirement does not apply to bonds for capital projects for school purposes sold to the Literary Fund or the Virginia Public School Authority (“VPSA”).

The Board also has established a self-imposed limit as part of the Principles of Sound Financial Management which provides that tax supported debt should not exceed 3 percent of the net assessed valuation of taxable property in the County, and annual debt service should not exceed 10 percent of annual combined general and special revenues (excluding certain pledged revenues). The County’s status with respect to its self-imposed limits is shown in the section “Additional Debt Information” below.

On November 5, 2019, Prince William County voters approved two referenda on the ballot to authorize issuance of general obligation bonds to fund mobility projects totaling \$355 million and parks projects totaling \$41 million.

The County anticipates selling subject to appropriation debt to fund construction of the expansion of the Adult Detention Center as well as a new fire station and animal shelter. Total project proceeds of the three projects is estimated at \$52.6 million. Cost of issuance would also be included. The County may also refund certain outstanding bonds for interest savings. Debt service on such bonds is projected to begin in fiscal year 2021. Project costs and debt service costs have been previously incorporated in the County’s five-year CIP. The County anticipates selling general obligation school bonds series 2020A to the Virginia Public School Authority as well. Debt service on the Series 2020A bonds is to begin in fiscal year 2021 and is included in County’s Debt Service by fiscal year table on page A-66.

Statement of Outstanding Net Tax-Supported Indebtedness

The County, pursuant to its adopted debt management policy contained in the Principles of Sound Financial Management, defines net tax-supported debt as all general obligation debt plus (i) bonds issued for obligations incurred to the VPSA and the Virginia Resources Authority (“VRA”) and (ii) long-term capital leases payable in whole or in part from appropriations of tax

revenue by the Board. The majority of the County's outstanding bonds are general obligations of the County and are secured by its full faith and credit. The County's outstanding general obligation bonds include various general purpose bonds. Debt payable from user charges or other non-tax revenue streams is considered self-supporting and is not included in net tax-supported debt. The following section "OTHER COUNTY-RELATED INDEBTEDNESS" describes certain other related obligations including underlying debt of the towns and debt of which the County is not the issuer but for which the County has agreed to fund certain costs of the enterprise, including debt service, to the extent these costs are not recovered from fees and charges.

The County's net tax-supported indebtedness incurred for capital purposes and outstanding on June 30, 2019, was \$1,066,033,000 as shown in the following table.

NET TAX SUPPORTED DEBT OUTSTANDING	
(\$000's)	
	Outstanding on June 30, 2019
Governmental Activities	
General Obligation Bonds	\$163,615
IDA Lease Revenue Bonds	21,153
Equipment Capital Leases	0
Real Property Capital Leases ⁽¹⁾	78,390
Parks and Recreation -	
Revenue Bonds Series 2010	6,090
Equipment Capital Leases	0
Subtotal	<u>\$269,248</u>
School Board Related	
General Obligation Bonds ⁽²⁾	\$796,785
Subtotal	<u>\$796,785</u>
Total Primary Government Debt	\$1,066,033
Less Self-Supporting Revenue and Other Bonds	<u>6,090</u>
Net Tax-Supported Debt	<u>\$1,059,943</u>

Source: Prince William County, Comprehensive Annual Financial Report, fiscal year 2019, Table 11.

Notes: ⁽¹⁾ Includes Certificates of Participation, Lease Participation, and bonds issued to Virginia Resource Authority (VRA) debt.

⁽²⁾ Includes general obligation bonds publicly offered by the County to VPSA in connection with VPSA's pooled bond program bond and sold by the County to VPSA on a standalone basis.

Debt Service Requirements to Maturity

The following table summarizes the annual principal and interest payments on the County's outstanding tax-supported debt for fiscal year 2021 through the final maturity of all outstanding tax supported debt.

DEBT SERVICE BY FISCAL YEAR ⁽¹⁾							
FY Ending June 30	Existing Debt Service ⁽²⁾		IDA 2020 Debt Service		VPSA 2020A Debt Service		Total Debt Service ⁽³⁾
	Principal	Interest	Principal	Interest	Principal	Interest	
2021	\$102,026,979	\$42,893,026	\$0	\$0	\$0	\$0	\$144,920,005
2022	95,961,979	39,111,743	0	0	0	0	135,073,722
2023	93,116,979	34,546,240	0	0	0	0	127,663,219
2024	109,654,979	29,779,455	0	0	0	0	139,434,434
2025	83,336,978	25,524,949	0	0	0	0	108,861,927
2026	75,985,000	21,754,932	0	0	0	0	97,739,932
2027	71,510,000	18,391,490	0	0	0	0	89,901,490
2028	62,725,000	14,886,139	0	0	0	0	77,611,139
2029	59,420,000	12,248,367	0	0	0	0	71,668,367
2030	54,475,000	9,852,646	0	0	0	0	64,327,646
2031	50,050,000	7,889,938	0	0	0	0	57,939,938
2032	45,040,000	6,323,804	0	0	0	0	51,363,804
2033	42,435,000	5,016,432	0	0	0	0	47,451,432
2034	38,865,000	3,875,317	0	0	0	0	42,740,317
2035	34,470,000	2,857,805	0	0	0	0	37,327,805
2036	30,200,000	1,948,902	0	0	0	0	32,148,902
2037	21,140,000	1,185,038	0	0	0	0	22,325,038
2038	11,250,000	604,706	0	0	0	0	11,854,706
2039	5,455,000	245,475	0	0	0	0	5,700,475
2040	5,455,000	81,825	0	0	0	0	5,536,825
2041	0	0	0	0	0	0	0
Total⁽²⁾	\$1,092,572,894	\$279,018,229	\$0	\$0	\$0	\$0	\$1,371,591,123

Source: Prince William County, Department of Finance.

Notes: ⁽¹⁾ Does not include Build America Bonds (BAB) and Qualified School Construction Bonds (QSCB) refundable credit payments, or the VPSA Pool refunding debt service credits.

⁽²⁾ Excludes debt service on the IDA 2020 Bonds and VPSA 2020A Bonds.

⁽³⁾ Totals may not add due to rounding.

Additional Debt Information

Information concerning the County's net tax-supported debt is presented in the following tables. The tables reflect the ratio of net tax-supported debt of assessed value and net tax-supported debt per capita, and the ratio of debt service payments on net tax-supported debt to total government revenues.

RATIO OF NET TAX-SUPPORTED DEBT TO ASSESSED VALUE AND POPULATION					
Fiscal Year	Net Tax-Supported Debt (\$000's) ⁽¹⁾	Total Assessed Value (\$000's) ⁽²⁾	Net Debt Assessed Value	Population ⁽³⁾	Net Tax-Supported Debt per Capita
2015	\$900,952	\$54,623,176	1.6%	441,627	\$2,040
2016	1,122,965	58,394,400	1.9	449,864	2,496
2017	1,113,800	61,335,721	1.8	456,127	2,442
2018	1,136,475	63,755,919	1.8	460,457	2,468
2019	1,059,943	67,613,073	1.6	466,496	2,272

Source: Prince William County, Comprehensive Annual Financial Report, fiscal year 2019, Tables 11, 14, and 16.

Notes: ⁽¹⁾ Includes Capital Leases.

⁽²⁾ Total Assessed Value includes assessments for taxable real, personal and public service property. With the exception of land in the County's land-use program, assessed values are calculated based on statutory authority equal to 100% of market value. Assessed values for a given fiscal year are as of the prior January. Data from the Comprehensive Annual Financial Report, fiscal year 2019, Table 14.

⁽³⁾ Prince William County, Comprehensive Annual Financial Report, fiscal year 2019, Table 16.

RATIO OF NET TAX-SUPPORTED DEBT SERVICE TO TOTAL REVENUES			
Fiscal Year	Debt Service on Net Tax-Supported Debt	Total Revenues ⁽¹⁾	Ratio of Debt Service to Total Revenues
2015	\$119,226,000	\$1,611,230,000	7.4%
2016	124,165,000	1,496,700,000	8.3
2017	134,737,000	1,649,319,000	8.2
2018	141,908,000	1,802,191,000	7.9
2019	146,043,000	1,988,129,000	7.3

Source: Prince William County, Comprehensive Annual Financial Report, fiscal year 2019, Table 14.

Note: ⁽¹⁾ Total Revenues include revenues in the General and Special Revenue Funds, including the Fire and Rescue Levy, and revenues of the School Board and Adult Detention Center Component Units.

OTHER COUNTY-RELATED INDEBTEDNESS

Cities and Towns

As independent bodies, the debt of the four towns located within the geographic boundaries of the County, and the two cities that are surrounded by the County, are obligations of the respective town or city and not an obligation of the County. Incorporated cities are separate entities from the County, and there is no overlapping debt between any city and the County. The town council of each of the four towns located within the County is authorized by the Virginia Constitution and the Code of Virginia to issue general obligation bonds in the amount up to 10 percent of the assessed value of real estate within the town without holding a public referendum. Each town's debt outstanding, in the approximate amount as of year ended June 30, 2019, is indicated in the Overlapping Debt table below.

Community Development Authorities

The County has created Community Development Authorities (each a "CDA") that by Virginia law and their charter may issue debt as a means of financing certain projects. CDAs allow public infrastructure within a defined district to be financed with special assessments applied within a district. There are three CDAs within the County (Virginia Gateway, Heritage Hunt, and Cherry Hill); all three have issued revenue bonds secured by CDA assessments. In accordance with the Virginia Code Section 15.2-5131, the County has no obligation to repay CDA debt. The debt is considered overlapping debt and is not carried as a contingent obligation on the County's financial statements.

Virginia Gateway. The Virginia Gateway CDA, which is located on 363 acres of land at the intersection of Route 29 and Linton Hall Road, was created in 1998 to develop mixed retail and light industrial and office space. Improvements funded by the CDA include road improvements and sewer and storm water facilities.

Heritage Hunt. The Heritage Hunt CDA, which is located on 810 acres at Interstate 66 and Route 29, was created in 1999 for mixed commercial and age-restricted residential development. Improvements funded by the CDA debt include road, water and sewer improvements.

Cherry Hill. The Cherry Hill CDA (also known as Harbor Station and to be known as Potomac Shores), which is located on 1,883 acres of land that surrounds Harbor Station Park, Cherry Hill Road and Congressional Way, was created in 2005 to provide public infrastructure improvements in connection with the proposed development of mixed residential, retail and office space in addition to a Virginia Railway Express ("VRE") rail station. In May 2013, the successor owner to the property proposed the development of a luxury resort hotel, golf course, and town square commercial facilities consisting of restaurant space and retail facilities and related public infrastructure, in addition to the other development and related public improvements for which the CDA was established. Some of the improvements will be funded by the CDA debt.

Transportation System Revenue Bonds

Northern Virginia Transportation Authority (“NVTA”). The County is a member of the multi-jurisdictional NVTA. NVTA was created in 2002 to develop and implement solutions to transportation issues across the Northern Virginia region. Under a landmark Commonwealth transportation bill (HB2313) in fiscal year 2013, the Virginia General Assembly established a dedicated funding stream to fund new transportation projects in Northern Virginia. A significant part of the projects funding comes from a 0.7 percent addition to the sales tax in the region, designated for deposit to the NVTA Fund. Expected revenues are estimated to be approximately \$275 million per year and distribution of revenues are split 70 percent for regional projects and up to 30 percent for jurisdictional projects. For the fiscal year ended June 30, 2019, contributions, intergovernmental revenue and investment earnings for NVTA’s governmental activities totaled \$293 million. By law, over time, each jurisdiction is required to receive back benefits equal to the amount that it contributes in regional funds. NVTA is authorized to issue bonds that would obligate NVTA, not local jurisdictions.

Pursuant to Virginia General Assembly House Bill 1539 (2018) (HB1539), effective on July 1, 2018, the General Assembly repealed two of NVTA’s three revenue sources, the regional congestion relief fee and the transient occupancy tax. HB1539 left sales tax as the only remaining HB2313 Revenue. The County anticipates receiving less money from NVTA’s 30 percent and 70 percent distributions. The County now retains the revenues from the Grantor’s Tax and the Transient Occupancy Tax that were previously diverted to the NVTA. The legislation specifies the County must use the Grantor’s Tax revenue for general transportation purposes. The Transient Occupancy Tax is specifically to be used for public transportation purposes.

Potomac and Rappahannock Transportation Commission (“PRTC”). The PRTC was created in fiscal year 1987, to help create and oversee the VRE commuter rail service and also to assume responsibility for bus service implementation as its member governments saw fit. The multi-jurisdictional agency represents Prince William, Stafford, and Spotsylvania Counties (the “Counties”), and the Cities of Manassas, Manassas Park, and Fredericksburg (the “Cities”). PRTC provides commuter bus service (OmniRide Express), to the Washington, DC metropolitan area from the County. PRTC also provides connector services to end of line Metrorail stations (OmniRide Metro Express), a cross county route, and (OmniRide Local), a local bus service that operates in the Counties and the Cities. In addition, the County, through its membership in the PRTC, joined with other jurisdictions through a Master Agreement to pay its share of the costs associated with operating and insuring the VRE, a commuter rail service operating between Northern Virginia and Washington, D.C. In May 2005, the Northern Virginia Transportation Commission (“NVTC”) and PRTC entered into a \$25.1 million capitalized lease obligation for the purchase of bi-level, high capacity passenger rail cars.

In fiscal year 2008, NVTC entered into an agreement with the Federal Railroad Administration (“FRA”) for a loan of up to \$72.5 million to purchase 50 Gallery railcars; in fiscal year 2009 the terms were amended to include ten additional Gallery railcars. A series of 16 promissory notes were originally authorized, and during fiscal year 2012 the balances on the individual notes were consolidated into one note. The note is secured by revenues of VRE and the railcars.

In fiscal year 2018, VRE entered into a financing agreement with the Virginia Resources Authority (“VRA”) for the purposes of refunding the FRA promissory note and reducing VRE’s debt service costs. As required by the authorizing resolutions of the Commissions and jurisdictions, the VRA refunding loan did not extend the term of the original borrowing and achieved net present value debt service savings of not less than three percent. The FRA note was refunded in full with the proceeds from the VRA financing, and VRE has pledged its revenues to the repayment of the principal, premium, and interest on the local bond purchased by VRA.

As of June 30, 2019, the balance of the capital lease was \$10.0 million and the bond payable was \$44.4 million. The Master Agreement requires the County’s governmental officers charged with preparing its annual budget to include an amount equal to its pro rata share of the capital costs of the VRE. The County’s fiscal year 2020 pro rata share is 34.3 percent. Although the participating jurisdictions have declared that it is their intent to make sufficient annual appropriations to pay their pro rata share of the costs of the VRE, the participating jurisdictions have not made a binding commitment beyond their current fiscal year, and each jurisdiction’s obligation to make such payments is non-binding and subject to annual appropriations. The County’s share of the outstanding debt (based on the methodology described above) is approximately \$18.66 million. The County’s share is expected to vary over time with shifts in population and ridership and with the inclusion of additional participating jurisdictions.

In December 2012, PRTC issued the \$2,335,000 Series 2012 Revenue Bonds, (through the VRA) to repay proceeds from two interim notes issued in July 2010 to finance land acquisition, design, and construction and management costs associated with a new commuter parking lot and construction costs associated with expansion of the bus storage yard. Proceeds from the issuance was also used to fund certain local costs of issuance and to finance the construction of an evacuation and emergency exit gate at the bus storage yard. Principal and interest payments due in annual installments of \$195,000 to \$285,000 plus interest will be due through October 2022.

Membership in PRTC allows for the collection of revenues from the 2.1 percent wholesale motor fuels tax levied by the Commonwealth for the member jurisdictions. The Commonwealth-levied Regional Motor Fuels Sales Tax was initiated in August 1986 at 2.0 percent and increased to 2.1 percent on a wholesale basis in January 2010. Debt service on the Series 2012 Revenue Bonds is secured by the 2.1 percent wholesale motor fuels tax allocable to the County, the cities of Manassas and Manassas Park, and by a non-binding moral obligation pledge from these three localities to fund any shortfalls in debt service.

Stafford Regional Airport Authority

The Stafford Regional Airport Authority (“SRAA”) operates the Stafford Regional Airport. In August 2007, SRAA issued \$5,425,000 Series 2007 Revenue Bonds (through the Virginia Resources Authority). These bonds are secured by the revenues derived from the ownership and operation of the Stafford Regional Airport, after payment of the airport’s operation and maintenance expenses. In addition, the County, Stafford County, and the City of Fredericksburg entered into a support agreement for the benefit of the Virginia Resources Authority (“VRA”), pursuant to which the County, Stafford County, and the City of Fredericksburg undertook a non-binding moral obligation to appropriate from time to time funds

to SRAA in connection with any shortfall in debt service payments due under SRAA's Local Obligation issued to VRA.

Northern Virginia Criminal Justice Training Academy

The Northern Virginia Criminal Justice Training Academy ("NVCJTA") was re-chartered by the Commonwealth of Virginia in 1977. It was originally established in 1965 as the Northern Virginia Police Academy. There are four participating jurisdictions included in the financing of the new Emergency Vehicle Operations Center ("EVOC"): the County, Loudoun County, Arlington County and Alexandria City. The four jurisdictions are responsible for the debt service and the operating and capital expenditures will be charged to all participating jurisdictions on a pro-rata share basis of their participation in the EVOC. The County Police Department withdrew from the NVCJTA in 1994, although the County continued its financial support. The County's share of both the operating and debt service was set at 30 percent in a Memorandum of Understanding between NVCJTA and the County, and was approved by the Board of County Supervisors in September 2005.

The Industrial Development Authority of Loudoun County, Virginia, issued \$18,650,000 of Lease Revenue Bonds in November 2006 to finance the construction and equipping of the EVOC. The 2006 Lease Revenue Bonds were refunded in September 2015. The outstanding par amount as of June 30, 2019, for which the County is responsible, is \$2,096,873 or 33.7 percent of outstanding principal amount of the refunded bonds.

Water and Sewer Debt

The Service Authority finances its capital needs through the issuance of debt that is not backed by the full faith and credit of the County but by revenues derived from charges for services rendered. As of June 30, 2019, the Service Authority's outstanding debt was \$127.8 million. Long-term debt consisted of four outstanding financing agreements with VRA related to upgrades to the Mooney Advanced Water Reclamation Facility, as well as two outstanding revenue bonds that were issued in 2013 and 2015. These bonds and loans are payable solely from the revenues generated by the system.

UOSA has issued various regional sewage system revenue bonds to pay the costs of its sewer and sewage disposal system. UOSA's annual debt service is funded by each of the participating jurisdictions based on their allocated capacity with certain modifications. In fiscal year 2019, the Service Authority paid approximately \$10.8 million in UOSA debt service. Historically, the County made an annual fixed payment towards the UOSA debt service with the Service Authority paying the balance. Effective January 1, 2013, the Service Authority assumed the County's obligation. See Note 17 to the audited financial statements for the fiscal year ended June 30, 2019, in Appendix B.

Park Authority Revenue Bonds

The Park Authority was created by ordinance adopted by the Board on October 11, 1977. Effective July 1, 2012, the Park Authority is no longer a separate corporate entity and is now a

department within the County, the Department of Parks, Recreation and Tourism. On April 14, 2010, while it was a separate entity, the Park Authority issued \$13,285,000 Prince William County Park Authority Park Facilities County Contribution Revenue Bonds Series 2010 (the “2010 Park Authority Bonds”) which together with other funds refinanced for debt service savings the Park Authority’s outstanding Park Facilities Revenue Refunding and Improvement Bonds, Series 1999. At that time, the County and the Park Authority entered into a Contributions Agreement by the terms of which the County agreed to make, subject to annual appropriation, contributions to the Park Authority proportionate to the debt service on the 2010 Park Authority Bonds and the Park Authority assigned its rights to receive the contributions to a paying agent. Effective July 1, 2012, with the dissolution of the Park Authority as a separate entity, the 2010 Park Authority Bonds remain a debt of the County. The County will continue to make its contributions, subject to annual appropriation of funds for the purpose, to the paying agent, in order to make the debt service payments on the 2010 Park Authority Bonds. Market conditions permitting, the County plans to refund the outstanding 2010 Park Authority Bonds with a portion of the proceeds of the Industrial Development Authority of the County’s Prince William County Facilities Revenue and Refunding Bonds, Series 2020A.

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Overlapping Debt

All four towns in the County and three CDAs mentioned above have issued bonds payable from real property taxes or assessments on property within their respective boundaries and also within the boundaries of the County. In addition, the County has assumed responsibility for payments to two regional issuers for a percentage of the debt service on certain of their obligations. The amounts of these tax supported obligations are shown in the following table.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (\$000's) Based on Assessed Values				
	Outstanding on June 30, 2019	Percent Applicable to County	Amount Applicable to County	Percent of Assessed Value
Direct:				
Net Tax Supported Debt	\$1,059,943	100.00%	\$1,059,943	1.73%
Overlapping:				
Town of Dumfries	10,095	100.00	10,095	0.0165
Town of Quantico	105	100.00	105	0.0002
Town of Haymarket	1,003	100.00	1,003	0.0016
Town of Occoquan	2	100.00	2	0
Heritage Hunt Commercial - CDA				
Special Assessment Bonds Series 1999 B	917	100.00	917	0.0015
Virginia Gateway Community - CDA				
Refunding Bond Series 1999 and 2003 B	8,330	100.00	8,330	0.0136
Cherry Hill Community - CDA				
Special Assessment Bonds Series 2015	29,760	100.00	29,760	0.0486
Northern Virginia Transportation				
Commission - Virginia Railway Express ⁽¹⁾	59,867	32.32	19,349	0.0316
Northern Virginia Criminal Justice				
Training Academy (NVCJTA) ⁽¹⁾	6,224	33.69	2,097	0.0034
Total Overlapping Governmental Activities Debt⁽²⁾	\$116,303	61.61%	\$71,658	0.12%
Total Direct and Overlapping Governmental Activities Debt⁽²⁾	\$1,176,246	96.20%	\$1,131,601	1.85%

Sources: Prince William County, Comprehensive Annual Financial Report, fiscal year 2019, Table 13. Also see Prince William County, Comprehensive Annual Financial Report fiscal year 2019, Table 7, Notes 10, 18 and 20.

Notes: ⁽¹⁾ Amount applicable determined on basis other than assessed value of taxable property.

⁽²⁾ Totals may not add due to rounding.

Lease Commitments and Obligations

The County leases real estate and equipment under operating and capital leases expiring at various dates through fiscal year 2027. All capital leases are non-cancelable, except that they are

contingent upon the Board appropriating funds for each year's payments. The County, pursuant to its adopted debt management policy contained in the Principles of Sound Financial Management, includes capital leases outstanding in its computation of net tax-supported debt as shown previously herein and in its debt-capacity calculation.

The County also has various short-term leases for real estate and equipment with initial or remaining noncancellable lease terms of less than one year. As of June 30, 2019, the County's total rental expense under operating leases of the primary government was approximately \$8,013,000. Further information concerning these obligations is included in Note 10 to the Prince William County, audited financial statements for the fiscal year ended June 30, 2019, in Appendix B.

"GAAP" means generally accepted accounting principles for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB").

"Notice Event" means any of the following events with respect to the VPSA Bonds, whether relating to the County or otherwise:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to or other material events affecting the tax-exempt status of the security;
- (g) modifications to rights of security holders, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the securities, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the County; which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets of business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County;
- (m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional paying agent or the change of name of a paying agent, if material;
- (o) incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

"Official Statement" means the "final official statement" with respect to the VPSA Bonds as defined in paragraph (f)(3) of the Rule.

"Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12), as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

"SEC" means the United States Securities and Exchange Commission.

"State" means the Commonwealth of Virginia.

"Unaudited Financial Statements" has the same meaning as Audited Financial Statements, except the same shall not have been audited.

"Underwriters" means any of the original underwriters of the VPSA Bonds required to comply with the Rule in connection with the offering of such VPSA Bonds.

ARTICLE II THE UNDERTAKING

2.1 Purpose. This Agreement shall constitute a written undertaking for the benefit of the holders of the VPSA Bonds, and is being executed and delivered solely to assist the Underwriters in complying with paragraph (b)(5) of the Rule.

2.2 Annual Financial Information.

(a) The County shall provide Annual Financial Information for the County with respect to each fiscal year of the County, on or before the March 31 after the end of such fiscal year (commencing with its fiscal year ended June 30, 2020) to the MSRB.

(b) The County shall provide, in a timely manner, notice of any failure of the County to provide the Annual Financial Information by the date specified in subsection (a) above to EMMA.

2.3 Audited Financial Statements. If not provided in conjunction with the Annual Financial Information by the dates required by Section 2.2(a) hereof, the County shall provide Audited Financial Statements, when and if available, to the MSRB.

2.4 Notices of Notice Events.

(a) If a Notice Event occurs, the County shall provide, within 10 business days of the occurrence of the Notice Event, an Event Notice to the MSRB.

(b) Upon any legal defeasance of the VPSA Bonds, the County shall cause to be provided notice of such defeasance to the MSRB, which notice shall state whether the VPSA Bonds to be defeased have been defeased to maturity or to a date fixed for redemption and the timing of such maturity or redemption.

2.5 Additional Disclosure Obligations. The County acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and SEC Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the County, and that under some circumstance compliance with this Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the County under such laws.

2.6 Additional Information. Nothing in this Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information or Event Notice, in addition to that which is required by this Agreement. If the County chooses to include any information in any Annual Financial Information or Event Notice, in addition to that which is specifically required by this Agreement, the County shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information or Event Notice.

2.7 No Previous Non-Compliance. The County represents that, except as set forth in the Official Statement dated _____, 2020, relating to the VPSA Bonds, it has not failed, in the five years preceding the date hereof, to comply in any material respect with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

ARTICLE III OPERATING RULES

3.1 Reference to Other Documents. It shall be sufficient for purposes of Section 2.2 hereof if the County provides Annual Financial Information by specific reference to documents (i) either (1) provided to EMMA, or (2) filed with the SEC, or (ii) if such a document is an Official Statement, available from EMMA.

3.2 Submission of Information. Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time. The County shall provide such information (or cause such information to be provided) to the MSRB in an electronic format as prescribed by the MSRB and with the identifying information as prescribed by the MSRB.

3.3 Event Notices. Each Event Notice shall be so captioned and shall prominently state the title, date and CUSIP numbers of the VPSA Bonds.

3.4 Transmission of Information and Notices. Unless otherwise required by law and, in the County's sole determination, subject to technical and economic feasibility, the County shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of the County's information and notices.

ARTICLE IV TERMINATION, AMENDMENT AND ENFORCEMENT

4.1 Termination.

(a) The County's obligations under this Agreement shall terminate upon legal defeasance, prior redemption or payment in full of all of the VPSA Bonds.

(b) This Agreement or any provision hereof shall be null and void in the event that the County (1) receives an opinion of Counsel, addressed to the County, to the effect that those portions of the Rule which require the provisions of this Agreement or any of such provisions do not or no longer apply to the VPSA Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to EMMA.

4.2 Amendment.

(a) This Agreement may be amended, by written agreement of the County Executive of the County, without the consent of the holders of the VPSA Bonds, if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the County or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the County shall have received an opinion of Counsel addressed to the County, to the same effect as set forth in clause (2) above and further to the effect that the amendment does not materially impair the interests of the holders of the VPSA Bonds, and (4) the County delivers copies of such opinion and amendment to EMMA.

(b) In addition to subsection (a) above, this Agreement may be amended and any provision of this Agreement may be waived, without the consent of the holders of the VPSA Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date hereof which is applicable to this Agreement, (2) the County shall have received an opinion of Counsel to the effect that performance by the County under this Agreement as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule, and (3) the County shall have delivered copies of such opinion and amendment to EMMA.

(c) To the extent any amendment to this Agreement results in a change in the types of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change.

(d) If an amendment is made to the accounting principles to be followed in preparing financial statements, the Annual Financial Information for the year in which the change is made shall present, to the extent practicable, a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. Notice of any such amendment shall be provided by the County to EMMA.

4.3 Benefit; Third-Party Beneficiaries; Enforcement.

(a) The provisions of this Agreement shall constitute a contract with and inure solely to the benefit of the holders from time to time of the VPSA Bonds. Beneficial owners of the VPSA Bonds shall be third-party beneficiaries of this Agreement.

(b) Except as provided in this subparagraph (b), the provisions of this Agreement shall create no rights in any person or entity. The obligations of the County to comply with the provisions of this Agreement shall be enforceable by the holders of the VPSA Bonds, including beneficial owners thereof. The rights of the holders of VPSA Bonds to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the County's obligations under this Agreement and the Resolution. In consideration of the third-party beneficiary status of beneficial owners of VPSA Bonds pursuant to subsection (a) of this Section 4.3, beneficial owners shall be deemed to be holders of VPSA Bonds for purposes of this subsection (b).

(c) Any failure by the County to perform in accordance with this Agreement shall not constitute a default under the Resolution and any rights and remedies provided by the Resolution upon the occurrence of a default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first above written.

PRINCE WILLIAM COUNTY, VIRGINIA

By: _____
Title: Director of Finance

MOTION: ANGRY

September 22, 2020

SECOND: LAWSON

Regular Meeting

Res. No. 20-646

RE: REQUEST THE VIRGINIA DEPARTMENT OF TRANSPORTATION TO ABANDON AND ACCEPT ROAD SEGMENTS ASSOCIATED WITH THE REALIGNMENT OF LINTON HALL ROAD (STATE ROUTE 619), GLENKIRK ROAD (STATE ROUTE 675), AND OLD LINTON HALL ROAD (STATE ROUTE 809), AND TO RENUMBER OLD LINTON HALL ROAD, PROJECT NUMBER 0619-076-305 C501 – BRENTSVILLE MAGISTERIAL DISTRICT

ACTION: APPROVED

WHEREAS, the Virginia Department of Transportation (VDOT) has completed the realignment of Linton Hall Road (State Route 619), Glenkirk Road (State Route 675), and Old Linton Hall Road (State Route 809), Project Number 0619-076-305 C501; and

WHEREAS, the project sketch and VDOT Form AM-4.3 attached and incorporated herein as part of this resolution define adjustments required in the Secondary System of State Highways as a result of construction; and

WHEREAS, certain segments identified on the incorporated VDOT Form AM-4.3 appear to no longer serve public convenience and should be abandoned as part of the Secondary System of State Highways; and

WHEREAS, the new roads serve the same people as those portions of the old roads identified to be abandoned and those segments no longer serve the public need; and

WHEREAS, certain segments identified on the incorporated VDOT Form AM-4.3 are ready to be accepted into the Secondary System of State Highways;

NOW, THEREFORE, BE IT RESOLVED the Prince William Board of County Supervisors hereby requests the Virginia Department of Transportation to take the necessary action to abandon those segments identified on the attached and incorporated VDOT Form AM-4.3, and project sketch as a part of the Secondary System of State Highways, pursuant to Section 33.2-912, Code of Virginia;

BE IT FURTHER RESOLVED that the Prince William Board of County Supervisors hereby requests the Virginia Department of Transportation to add the segments identified on the attached and incorporated the Virginia Department of Transportation Form AM-4.3 to the Secondary System of State Highways, pursuant to Section 33.2-705, Code of Virginia, for which sections this Board hereby guarantees the right-of-way to be clear and unrestricted, including any necessary easements for cuts, fills and drainage;

September 22, 2020
Regular Meeting
Res. No. 20-646
Page Two

BE IT FURTHER RESOLVED that the Prince William Board of County Supervisors hereby requests the renumbering of the segments identified on the attached and incorporated Virginia Department of Transportation Form AM-4.3 and project sketch as a part of the Secondary System of State Highways;

BE IT FURTHER RESOLVED that the Prince William Board of County Supervisors hereby authorizes the Director of Transportation, or his designee, to sign the Virginia Department of Transportation Form AM-4.3 in a form approved by the County Attorney's Office;

BE IT FURTHER RESOLVED that a certified copy of this resolution be forwarded to the Manassas Residency Office of the Virginia Department of Transportation.

ATTACHMENTS: VDOT Form AM-4.3
Project Sketch
Street Segment List
Sketch for Linton Hall Road State Route 619 Project Number 0619-076-305
C501

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

For Information:

Director of Transportation
Finance Director
VDOT – Manassas Residency Office

ATTEST: _____



Clerk to the Board

The following VDOT Form AM-4.3 is hereby attached and incorporated as part of the governing body's resolution for changes to the secondary system of state highways.

A Copy Testee Signed (County
Official): _____

Report of Changes in the Secondary System of State Highways

Project/Subdivision: 076 0619-076-305 C501

Abandonment Project by VDOT §33.2-912

Route Number	Street Name	From Termini	To Termini	Length	Row Width	
619	Linton Hall Road	0.16 Mi E Int. Rte 619 & Rte 3052 (L)	0.13 Mi W Int. Rte 619 & Rte 621 (M)	0.31		
619	Linton Hall Road	0.16 Mi E Int. Rte 809 & Rte 1714 (E)	Int. Rte 619 & Rte 675 (F)	0.07		
619	Linton Hall Road	0.42 Mi E Int. Rte 619 & Rte 2974 (I)	0.10 Mi W Int. Rte 619 & Rte 3052 (J)	0.27		
619	Old Linton Hall Road	0.47 Mi E Int. Rte 808 & Rte 619 (C)	Int. Rte 809 & Rte 1714 (D)	0.08		
675	Glenkirk Road	Int. Rte 619 & Rte 675 (F)	Int. Rte 675 & Rte 2961 (G)	0.17		

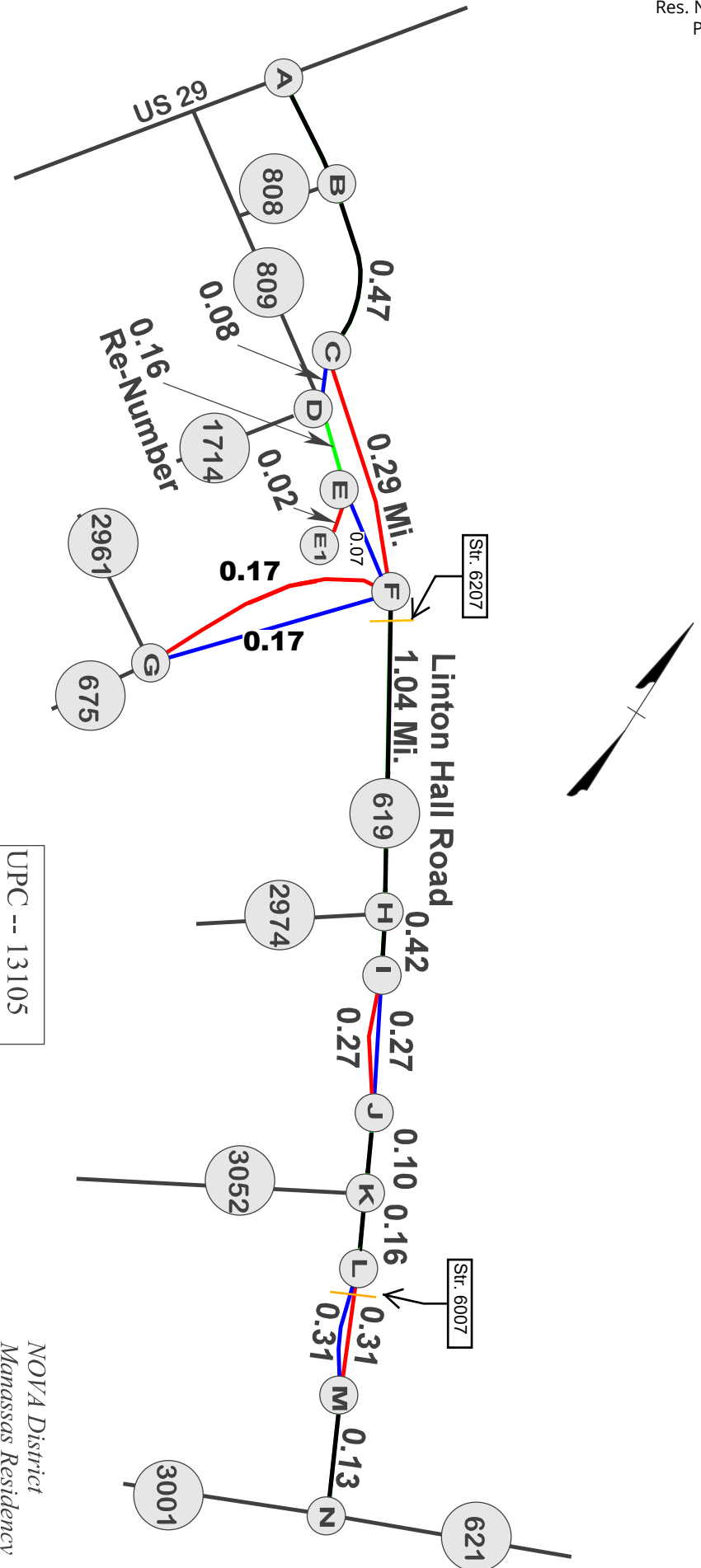
Addition VDOT Project §33.2-705

Route Number	Street Name	From Termini	To Termini	Length	Row Width
619	Linton Hall Road	0.16 Mi E Int. Rte 619 & Rte 3052 (L)	0.13 Mi W Int. Rte 619 & Rte 621 (M)	0.31	110 & Var
619	Linton Hall Road	0.42 Mi E Int. Rte 619 & Rte 2974 (I)	0.10 Mi W Int. Rte 619 & Rte 3052 (J)	0.27	110 & Var
619	Linton Hall Road	0.47 Mi E of Int. Rte 808 & Rte 619 (C)	Int. Rte 619 & Rte 675 (F)	0.29	160 & Var
675	Glenkirk Road	Int. Rte 619 & Rte 675 (F)	Int. Rte 675 & Rte 2961 (G)	0.17	128 & Var
809	Old Linton Hall Road	0.16 Mi E of Rte 1714(E)	0.18 Mi W of Rte 1714 & Old rt 619 (E1)	0.02	128 & Var

Business Data Change

Route Number	Street Name	From Termini	To Termini	Length	Row Width
809	Old Linton Hall Road	Int. Rte 809 & Rte 1714 (D)	0.16 Mi E of Rte 1714 (E)	0.16	

Using the DACHS application please submit form AM-4.2 for each roadway segment and the entire project including the mileage and the pavement types, reflecting post-construction conditions.



UPC -- 13105

NOVA District
Manassas Residency

Legend

PRINCE WILLIAM COUNTY

Changes in the Secondary Systems
due to relocation and construction on

Route 619, Project: 0619-076-305, C-501

- Segment(s) of new location to be added to the Secondary System.
- Segment(s) of Secondary Road location to be abandoned.
- Data Correction - Adjustment to correct RIMS records also applies to Route Re-Numbering, an Administrative change.

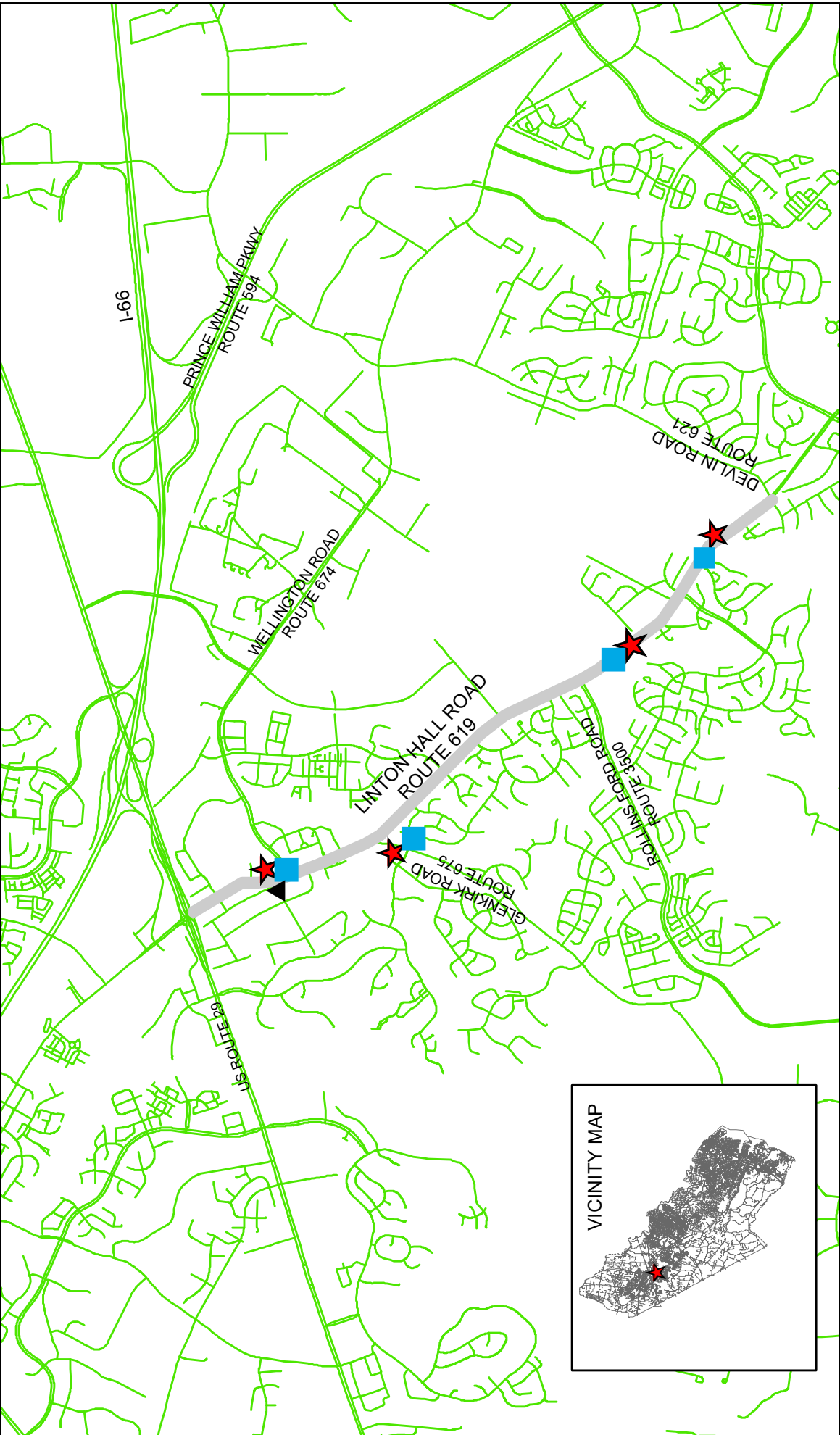


Virginia Department of Transportation
VDOT
Office of Land Use
February 11, 2020

Not To Scale

Route	Action	Segment	From	To	Length
619	Abandon	C – D	0.47 MI E of Int. Rte 808 & Rte 619	Int. Rte 809 & Rte 1714	0.08
Old Rte. 619 New Rte. 809	Renumber	D – E	Int. Rte 809 & Rte 1714	0.16 MI E of Rte 1714	0.16
809	Addition	E – E1	0.16 MI E of Rte 1714	0.18 MI E of Rte 1714	0.02
Old Rte. 619	Abandon	E – F	0.16 MI E of Int. Rte 809 & Rte 1714	Int. Rte 619 & Rte 675	0.07
619	Addition	C – F	0.47 MI E of Int. Rte 808 & Rte 619	Int. Rte 619 & Rte 675	0.29
675	Addition	F – G	Int. Rte 619 & Rte 675	Int. Rte 675 & Rte 2961	0.17
675	Abandon	F – G	Int. Rte 619 & Rte 675	Int. Rte 675 & Rte 2961	0.17
619	Addition	I – J	0.42 MI E of Int. Rte 619 & Rte 2974	0.10 MI W of Int. Rte 619 & Rte 3052	0.27
619	Abandon	I – J	0.42 MI E of Int. Rte 619 & Rte 2974	0.10 MI W of Int. Rte 619 & Rte 3052	0.27
619	Addition	L – M	0.16 MI E of Int. Rte 619 & Rte 3052	0.13 MI W of Int. Rte 619 & Rte 621	0.31
619	Abandon	L – M	0.16 MI E of Int. Rte 619 & Rte 3052	0.13 MI W of Int. Rte 619 & Rte 621	0.31

0619-076-305, C501



LINTON HALL ROAD
ROUTE 619
PROJECT NUMBER 0619-076-305, C-501

- ROAD ACCEPTANCE
- ROAD ADDITIONS
- RE-NUMBER

SEPTEMBER 22, 2020

MOTION: ANGRY

September 22, 2020

SECOND: LAWSON

Regular Meeting

Res. No. 20-647

RE: APPROVE A MEMORANDUM OF AGREEMENT WITH THE TOWN OF OCCOQUAN FOR THE CONSTRUCTION AND MAINTENANCE OF A FREE-STANDING VISITOR INFORMATION KIOSK AT 413 MILL STREET AND AUTHORIZE STAFF TO TERMINATE THE EXISTING LEASE AGREEMENT FOR THE CERTIFIED TOURISM INFORMATION CENTER AT 200 MILL STREET, OCCOQUAN, VIRGINIA – OCCOQUAN MAGISTERIAL DISTRICT

ACTION: APPROVED

WHEREAS, the Office of Tourism (OT) currently operates a Certified Tourism Information Center (CTIC), at 200 Mill Street through a Lease Agreement with the Town of Occoquan (Town); and

WHEREAS, The CTIC has failed to meet performance goals and has become a drain on OT resources, which could otherwise be widely deployed to conduct visitation services on a Countywide basis; and

WHEREAS, an alternative to the CTIC, the OT, and Town developed a plan to close the CTIC and install an informational kiosk on the opposite side of downtown, adjacent to the Mill House Museum at 413 Mill Street; and

WHEREAS, the proposed kiosk will be regularly stocked by OT staff with printed brochures and maps to encourage visitation to sites and venues throughout the County, including the Town; and

WHEREAS, the proposed kiosk will allow the Town to retain its CTIC designation through the Virginia Tourism Corporation with certain conditions for which the Town shall be responsible; and

WHEREAS, implementation of the proposed kiosk will save the OT over \$80,000 annually, which will be reallocated to enact a Countywide mobile visitor services model; and

WHEREAS, the construction and maintenance of the kiosk will be subject to a Memorandum of Agreement (MOA) between the Prince William Board of County Supervisors and the Town, which the Town Council approved on September 1, 2020; and

WHEREAS, terminating the existing CTIC lease requires a 30-day notice from the OT; and

WHEREAS, the Board of County Supervisors and the Town recognize the benefits that visitors and citizens will derive from this project;

September 22, 2020
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Res. No. 20-647
Page Two

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby approves a Memorandum of Agreement with the Town of Occoquan for the construction and maintenance of a free-standing visitor information kiosk at 413 Mill Street, and authorizes staff to terminate the existing Lease Agreement for the Certified Tourism Information Center at 200 Mill Street, Occoquan, Virginia;

BE IT FURTHER RESOLVED that the Prince William Board of County Supervisors hereby authorizes the Department of Parks, Recreation, and Tourism Director to execute such documents to affect the intent of this resolution and approved as to form by the County Attorney's Office.

ATTACHMENT: Memorandum of Agreement

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

ATTEST: _____



Clerk to the Board

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (“Agreement”) is made this ____ day of _____, 2020, by and between Prince William County acting through its Department of Parks, Recreation and Tourism (“County”) and the Town of Occoquan (“Town”).

WITNESSETH:

WHEREAS, the County currently operates a Certified Tourism Information Center (CTIC) at 200 Mill Street through a lease with the Town; and

WHEREAS, the County has ceased operations of the CTIC at 200 Mill Street due to COVID-19 and plans to construct a CTIC visitor kiosk in the Town; and

WHEREAS, the Town desires to retain CTIC designation within its downtown area; and

WHEREAS, the County currently provides the Town financial support to operate the Mill House Museum located at 413 Mill Street in the downtown area, which along with the creation of a visitor kiosk meets CTIC designation requirements including operating hours, availability of attraction brochures and public bathrooms being in close proximity; and

WHEREAS, the County has agreed to install and supply a free-standing visitor kiosk on existing Town land next to the Mill House Museum, which shall hereinafter be referred to as the (“Project”); and

WHEREAS, the Town and County recognize the benefits that visitors and citizens of Occoquan and Prince William County will derive from the Project; and

NOW, THEREFORE, in consideration of mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Town and County do hereby agree as follows:

I. PURPOSE

- a. Agreement is for the County to construct, supply, and maintain a free-standing visitor information kiosk adjacent to the Mill House Museum on Town property (GPIN Parcel Number 8393-65-2114) in accordance with Exhibit A. (The parties shall attach the approved Exhibit A to this Agreement after this Agreement’s execution and the approval provided in Section II.b. of this Agreement.)

II. TERM

- a. The term of this Agreement shall be five (5) years with the option of one (1) renewal of five (5) years. The Agreement will automatically renew if no party provides written notification to terminate.
- b. The term of this Agreement shall commence upon the full execution of this Agreement and final approval of the kiosk from the Town of Occoquan Architectural Review Board.

II. PERMITTING

- a. The County shall be responsible for obtaining all required local, state, and federal permits and approvals necessary for the project and all fees associated with such.
- b. The County's obligations under this Agreement shall terminate in the event that, despite the County's use of its best efforts, the required permits and approvals for the Project are not obtained within twelve (12) months from the beginning of the Agreement term.

III. CONSTRUCTION

- a. The County shall be responsible for selecting a contractor to perform the work included in the Project if not using County staff. All contractors, if used, will, at a minimum:
 - i. Demonstrate successful completion of not less than three similar projects within the previous two years;
 - ii. Hold a Class A Virginia contractor's license; and
 - iii. Provide proof of insurance that complies with Town guidelines.
- b. The County shall be responsible for all Project costs unless otherwise specified in this Agreement.
- c. The Project shall be completed within six (6) months following receipt of all required permits and approvals for the Project, provided that such deadline shall be postponed for the duration of any event of force majeure or any other delay beyond the control of the County. If the County is unable to complete the Project within this period of time, the Town shall have the right to terminate the Agreement.

- d. The visitor information kiosk installed by the County under this Agreement shall remain the property of the County.

IV. MAINTENANCE AND STOCKING

- a. The County shall be responsible for all maintenance, repair, or replacement of the kiosk structure from roof to the point of ground-attachment.
- b. The Town shall be responsible for all maintenance and repairs immediately adjacent to and under the kiosk, including, but not limited to, the sidewalk.
- c. All small maintenance and repair work shall be performed within thirty (30) days of the County having notice of the need for maintenance or repair work. Structural maintenance shall be performed within a ninety (90) day period. Total kiosk replacement due to vehicular collision or an act of God shall be completed within one hundred and eighty (180) days.
- d. If the County fails to provide proper maintenance in accord with standards herein, the Town shall have the authority to perform the work and invoice the County, which shall pay all direct costs within 30 days of invoice date.
- e. The Town shall maintain a minimum 48" horizontal clearance around the kiosk for accessibility purposes.
- f. The County shall replenish all print materials displayed at the information kiosk as needed.
- g. The County shall stock tourism literature to include one state visitor guide, one county visitor guide and one Town of Occoquan brochure. The Town of Occoquan brochure shall meet the 5" X 9" size requirements and be printed and supplied by the Town. The County shall have the right to remove any unauthorized material.

V. CERTIFIED TOURISM INFORMATION CENTER DESIGNATION

- a. The Virginia Tourism Corporation (VTC) has granted the County permission to transfer CTIC designation to the Town of Occoquan / Millhouse Museum and kiosk site upon the condition that CTIC designation requirements are met including (1) the museum is open to the public a minimum of five (5) days per week, including Saturday and Sunday; (2) the adjacent park bathrooms are open to visitors; and (3) designated parking is made available. The Town agrees to meet these conditions at its own expense if it wishes to retain its CTIC designation.

- b. The County agrees to file the necessary paperwork to transfer CTIC designation to the Town and change the CTIC address with the VTC.
- c. Failure to meet CTIC designation criteria will result in the Town losing its CTIC designation at its own expense but shall not relieve the County from continuing to meet all terms of the agreement.
- d. Maintenance and upkeep of CTIC directional signage and wayfinding shall be the responsibility of the Town.

VI. TERMINATION

- a. The Agreement can be terminated by either party with thirty (30) day notice without penalty to either party.

VII. ENFORCEABILITY

- a. It is expressly agreed and understood that this Agreement is to be construed under the laws of the Commonwealth of Virginia and may only be enforced in the courts of Prince William County, Virginia.

VIII. INSURANCE

- a. At all times during the Term, at its own cost and expense, the County shall keep in force commercial general liability insurance in standard form, protecting the County and the Town, as an additional insured, against personal injury, including bodily or property damage and contractual liability on an occurrence basis if available and if not, then on a claims made basis, in either case in an amount not less than One Million Dollars (\$1,000,000) per occurrence and with an annual aggregate limit of not less than Three Million Dollars (\$3,000,000).
- b. A certificate of insurance is required by this Agreement and shall be delivered by the County to the Town. The County shall supply the Town an updated certificate of insurance at least 30 days before the expiration of the then-current certificate.

IX. AMENDMENTS AND ASSIGNMENT

- a. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof.
 - b. This Agreement shall not be modified, amended, or changed in any respect except in writing duly signed by the parties hereto, and each party hereby waives any right to amend this Agreement in any other way.
 - c. This Agreement may not be assigned by any of the parties hereto without the express written consent of the other party.
 - d. All of the terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors. In addition, the parties agree that terms and provisions of this Agreement are reasonable.
 - e. If any provision of this Agreement shall be determined to be invalid or unenforceable, such determination will not affect the validity of the other provisions of this Agreement.
 - f. None of the provisions of this Agreement is intended to grant any right or benefit to any person or entity that is not party to this Agreement unless specified in the Agreement.
- X. The signatories to this Agreement represent and warrant that they have authority to sign it on behalf of the locality they serve.
- XI. NOTICE
- a. All notices and deliveries required under this Agreement shall not be effective for any purpose unless the same shall be given or served as Follows:

If to County, to:
Prince William County
Department of Parks, Recreation and Tourism
Department Director
14420 Bristow Road
Manassas, VA 20112

If to Town, to:
Town of Occoquan
Town Mayor
314 Mill St.
P.O. Box 195
Occoquan, VA 22125

- b. Every such notice, demand, request, other communication or delivery of documents or funds hereunder shall be deemed to have been given or served for all purpose hereunder on the date on which it is received or refused by the party to whom it was sent, whether by courier, certified mail, or U.S. First Class Mail, postage prepaid.

IN WITNESS WHEREOF, the Town and County have caused these presents to be duly executed, in duplicate, and have caused their respective corporate seals or signatures to be hereto affixed.

Town of Occoquan

BY: _____

Mayor Earnie Porta
314 Mill St.
P.O. Box 195
Occoquan, VA 22125

Prince William County

BY: _____

Seth Hendler-Voss, Director
Prince William County
Department of Parks, Recreation, and Tourism
14420 Bristow Road
Manassas, VA 20112

EXHIBIT A

Final design as approved by Town Architectural review Board on
XX/XX/XXXX

Location Map

DRAFT

MOTION: ANGRY

September 22, 2020

SECOND: LAWSON

Regular Meeting

Res. No. 20-648

RE: APPROVE AMENDMENT TWO TO THE PERFORMANCE AGREEMENT WITH PWC INNOVATION RESEARCH 1, LLC, AND THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE WILLIAM FOR THE DEVELOPMENT AND OPERATION OF THE 30,000 SQUARE FOOT NORTHERN VIRGINIA BIO SCIENCE CENTER WET LAB AND APPROVE AN APPLICATION TO GO VIRGINIA FOR A \$500,000 GRANT FOR ENHANCED LAB EQUIPMENT FOR THE NORTHERN VIRGINIA BIO SCIENCE CENTER AND AUTHORIZE THE COUNTY EXECUTIVE TO EXECUTE THE GO VIRGINIA GRANT AGREEMENT AND ACCEPT, BUDGET, AND APPROPRIATE THE \$500,000 GO VIRGINIA GRANT, CONTINGENT UPON AWARD

ACTION: APPROVED

WHEREAS, on December 10, 2019, the Board of County Supervisors (BOCS) approved Resolution Number (Res. No.) 19-603 authorizing the sale of 4.4 acres of County-owned land, located at 11225 Assett Loop, Brentsville, Virginia, 20109, to Holladay Properties for \$784,080, to develop a 30,000 square foot wet lab to be owned and operated by Holladay Properties; and

WHEREAS, on May 19, 2020, the BOCS approved Res. No. 20-387, budgeting and appropriating \$350,000 from the Economic Development Opportunity Fund and \$250,000 in Water and Sewer Credits to fund the Performance Agreement with PWC Innovation; and

WHEREAS, the County Executive executed the Performance Agreement and a lease for 8,000 square feet on April 23, 2020, under the emergency Ordinance Number (Ord. No. 20-10) to provide for the continuity of government; and

WHEREAS, on July 14, 2020, the BOCS approved Res. No. 20-515 and Amendment One to the Performance Agreement to grant up to \$155,000 in Innovation Enterprise funds to Holladay Properties to pay 50% of the soil remediation costs caused by unsuitable soils on the County-owned site; and

WHEREAS, in April 2016, the Commonwealth of Virginia created the GO Virginia program to support programs and infrastructure to create high paying jobs through incentivized collaboration between business, education, and government to diversify and strengthen the economy in every region of the Commonwealth; and

WHEREAS, Holladay Properties in June 2020, applied for a \$500,000 GO Virginia grant to enhance the equipment provided to the companies leasing space in the wet lab facility, now named the Northern Virginia Bio Science Center; and

WHEREAS, the GO Virginia staff supports the grant and requests that the application come from Prince William County and that the GO Virginia grant funds flow through Prince William County;

September 22, 2020

Regular Meeting

Res. No. 20-648

Page Two

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby approves Amendment Two to the Performance Agreement with PWC Innovation Research 1, LLC, and the Industrial Development Authority of the County of Prince William for the development and operation of the 30,000 square foot Northern Virginia Bio Science Center Wet Lab and approve an application to GO Virginia for a \$500,000 grant for enhanced lab equipment for the Northern Virginia Bio Science Center and authorize the County Executive to execute the GO Virginia Grant Agreement and authorize the Chair to execute Amendment Two, approved as to form by the County Attorney's Office, and accept, budget, and appropriate the \$500,000 Go Virginia Grant, contingent upon award.

ATTACHMENT: Amendment Two to Performance Agreement

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

For Information:

Department of Economic Development

ATTEST: _____

Andrea P. Madden

Clerk to the Board

**PERFORMANCE AGREEMENT
AMENDMENT TWO**

THIS PRINCE WILLIAM COUNTY ECONOMIC DEVELOPMENT INCENTIVE GRANT AGREEMENT AMENDMENT ONE (herein referred to as "Amendment"), made this ___ day of _____, 2020 by and among the Prince William County Board of Supervisors, a body corporate and politic (the "County Board"), the **INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE WILLIAM**, (hereinafter referred to as "IDA"), a political subdivision of the Commonwealth of Virginia, and PWC Innovation Research 1, LLC ("PWC Innovation"), collectively the "Parties."

WITNESSETH:

WHEREAS, the IDA has been created to promote the economic development of Prince William County, Virginia (the "County") pursuant to enabling legislation under Section 15.2-4900 *et seq.*, VA Code Ann.; and

WHEREAS, the IDA has the authority to make grants of money or property for economic development pursuant to Section 15.2-4905, VA Code Ann.; and

WHEREAS, the County Board and Holladay Property Services Midwest have entered into a Sale Agreement for 4.4 acres of land at 11225 Assett Loop, Manassas, VA 20109, and a Master Lease Agreement for 8,000 square feet of the Bio-Safety Level 2 Wet Lab Facility; and

WHEREAS, PWC Innovation is a wholly owned single purpose entity of Holiday Property Services Midwest formed for the sole purpose of developing and property managing a 30,000 square foot Bio-Safety Level 2 Wet Lab facility in Innovation Park, also known as the Northern Virginia Bio Science Center; and

WHEREAS, PWC Innovation is currently developing a 30,000 square foot wet lab facility at 11225 Assett Loop, Manassas, VA 20109, on land to be purchased from the County Board; and

WHEREAS, on May 19, 2020, by Res. No. 20-387, the Board approved a Performance Agreement with PWC Innovation and the IDA as an incentive to develop and property manage a 30,000 square foot Bio-Safety Level 2 Wet Lab Facility in Prince William County through ten (10) years from the Certificate of Occupancy; and

WHEREAS, on July 14, 2020 by Res. No 20-515 the Board approved Amendment One to the Performance Agreement to reimburse PWC Innovation for the cost of soil remediation to an amount not to exceed, \$155,000; and

WHEREAS, on September 22, 2020 by Res No. 20-xxx the Board authorized the application for \$500,000 of GO Virginia grant funds to enhance the equipment at the Northern Virginia Bio Science Center; and

WHEREAS, this Agreement is consistent with the Agreement entered by and between the IDA and the County Board for granting assistance to expand targeted industries in the County to promote long-term economic development in the County; and

WHEREAS, upon execution of this Agreement, and a written request from PWC Innovation, containing any necessary bank wiring instructions, PWC Innovation will receive the proceeds of the Go Virginia Grant in the amount of Five Hundred Thousand and 00/100 Dollars (\$500,000.00) in accordance with the schedule contained in this Agreement; and

WHEREAS, the GO Virginia Board has approved these grant funds and the Board of County Supervisors has duly authorized and committed the GO Virginia Grant funds which are to be provided to the IDA for use to develop a 30,000 square foot Bio-Safety Level 2 Wet Lab Facility in Prince William County according to Res. No. 20-___, and has approved and requested the IDA to enter into this agreement to facilitate the grant; and

WHEREAS, the County Board the IDA and PWC Innovation, desire to enter into this Amendment to memorialize the understandings and conditions under which financial incentives will be provided to PWC Innovation, to use in connection with its facility located in Prince William County, Virginia and to set forth the obligations and responsibilities of the parties in connection therewith;

NOW, THEREFORE, in consideration of the mutual promises of the parties and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby state and agree as follows:

- 1) **Incorporation of Recitals** – The preceding recitals are an integral part of the Agreement and set forth the intentions of the Parties and the premises on which the Parties have entered into this Agreement. Accordingly, the recitals are fully incorporated into this Agreement by this reference as if fully set forth herein.
- 2) **Definitions** – In addition to any other capitalized term for which meaning is expressly defined in this Agreement, the following terms shall be defined as follows:
 - a) "Effective Date" means _____, 2020.
 - b) "County Executive" means the County Executive of Prince William County or designee.
- 3) **PWC Innovation Covenants and Obligations**
 - a) PWC Innovation agrees to use the GO Virginia Grant funds for the purpose of purchasing additional lab equipment listed in Exhibit A for the Northern Virginia Bio Science Center at 11225 Assett Loop, Manassas, VA 20109.
- 4) **IDA Covenants and Obligations**
 - a) Upon receipt of the requisite monies from the County Board to fund the Grant payment to PWC Innovation, the IDA shall, subject to the Disbursement Prerequisites in Section 5, disburse the Grant payment to PWC Innovation pursuant to Section 5. Should PWC Innovation not fulfill the Disbursement Prerequisites within nine hundred (900) days of the Effective Date, the IDA will return the monies to the County.
- 5) **Disbursement Prerequisites** – The IDA's obligation to disburse the Five Hundred Thousand and 00/100 Dollars (\$500,000.00) Grant to PWC Innovation is subject to and conditioned upon

PWC Innovation's fulfillment of the following pre-conditions ("Disbursement Prerequisites") within seven hundred thirty (730) days of the Effective Date:

- a) **Receipt of Notarized Affidavit.** PWC Innovation must have provided the County Executive or his designee with a notarized affidavit, a sample of which is attached as **Exhibit A**, declaring, among other things:
 - i) PWC Innovation has purchased, received, and installed the lab equipment listed in Exhibit A at the Northern Virginia Bio Science Center in Innovation Park.

If the above pre-condition and all other applicable Disbursement Prerequisites are met, and upon receipt of the County Executive's written instructions, the IDA shall disburse Five Hundred Thousand and 00/100 Dollars (\$500,00.00) to PWC Innovation. The IDA shall disburse the Grant funds within 30 days after the County Executive notifies the IDA that the County has received the Notarized Affidavit per Section 5 (a) above.

5) **Repayment of Grant**

- a) If PWC Innovation meets the requirements contained in this Amendment and receives the payment of the Grant, but PWC Innovation fails to receive a Certificate of Occupancy for the 30,000 square foot Bio-Safety Level 2 Wet Lab Facility within one (1) year of receiving the Grant then PWC Innovation shall reimburse the IDA Five Hundred Thousand and 00/100 Dollars or 100% of the GO Virginia Grant Funds granted to it within sixty (60) days of receipt of the notification by the County. If PWC Innovation meets all the requirements contained in this Agreement and receives the full payment under this Agreement and closes or stops operating the facility at 9370 Discovery Boulevard, Manassas, VA 20109 as a Bio-Safety Level 2 Wet Lab within five years of the receipt of the Certificate of Occupancy, then PWC Innovation shall reimburse the IDA 100% of the GO Virginia Grant funds. Any refund paid by PWC Innovation to the IDA under this provision shall be repaid to the County Board within sixty (60) days of receipt of the funds from PWC Innovation. The amount refunded shall be in addition to any reimbursement amount due under the Performance Agreement and Amendment One to the Performance Agreement.
- b) In the event of a bankruptcy of PWC Innovation, the equipment funded with the Go Virginia grant shall become the property of Prince William County.

6. **Ratification of Amendment Two:**

- a) The provisions of Amendment Two shall govern and control over any contrary or inconsistent provisions of the Performance Agreement. Except as expressly provided in this First Amendment, in all other respects, the Performance Agreement is unmodified, remains in full force and effect and is hereby ratified by the parties.

IN WITNESS WHEREOF, the parties hereto have hereafter set their signatures and seals by their respective duly authorized representatives.

Approved as to form:

Chair,
Board of County Supervisors of Prince William County

ATTEST:

INDUSTRIAL DEVELOPMENT AUTHORITY OF
THE COUNTY OF PRINCE WILLIAM

Bobby Long
Assistant Secretary/Treasurer

BY: _____

DATE: _____

Pat O'Leary
Chairman

PWC INNOVATION

BY: _____

DATE: 9/10/2020

MANAGER / MEMBER

(title)

EXHIBIT A
SAMPLE OF THE REQUIRED NOTARIZED AFFIDAVIT

AFFIDAVIT OF PWC INNOVATION

COMMONWEALTH OF VIRGINIA CITY/COUNTY OF _____

Subscribed and sworn before me this ____ day of _____, 20__.

PWC INNOVATION, a (STATE) corporation authorized to transact business in the Commonwealth of Virginia, after first being duly sworn, appeared before the undersigned authority and affirmed the following facts under oath:

1) *[Insert Name]* is *[Insert Title]* of PWC Innovation and as *[Insert Title]* has been duly authorized to execute and deliver this Affidavit for and on behalf of PWC Innovation. The Affidavit is a requirement of the Prince William Economic Development Opportunity Fund Grant dated _____, 20____, by and among the County Board of Prince William County, Virginia, the Industrial Development Authority of Prince William County and PWC Innovation ("**Agreement**"). All actions required under PWC Innovation organizational documents and applicable governing law for the authorization, execution, and delivery of this Affidavit have been duly taken (to the extent required) as of the date of execution and delivery of this Affidavit. All terms in this Affidavit are defined as in the Grant Agreement.

2) As of _____, 20__:

- a) PWC Innovation has purchased, received, and installed the lab equipment listed below at the Northern Virginia Bio Science Center at 11225 Assett Loop, Manassas, VA 20109

I, _____, a notary public, do hereby certify that _____ the affiant whose name is subscribed to the foregoing affidavit duly swore and made oath that the facts contained therein are true and correct to the best of his/her information, knowledge and belief, before me in the said City/County of _____, Commonwealth of Virginia, this _____ day of _____, 20__.

My Commission expires:

Notary Public _____
Notary Registration No. _____

[Reproducible Notarial Seal]

MOTION: ANGRY

September 22, 2020

SECOND: LAWSON

Regular Meeting

Res. No. 20-649

RE: REQUEST THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE WILLIAM ISSUE ITS PRINCE WILLIAM COUNTY FACILITIES REVENUE AND REFUNDING BONDS SERIES 2020A (COUNTY FACILITIES PROJECTS), APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF NECESSARY DOCUMENTS TO EFFECTUATE THE ISSUANCE OF SUCH BONDS; AND AUTHORIZING ACTIONS BY COUNTY OFFICIALS RELATING TO SUCH TRANSACTIONS AS MAY BE NECESSARY OR REQUIRED

ACTION: APPROVED

WHEREAS, the Prince William Board of County Supervisors (the "Board") has determined to approve the construction and improvement of phase two of the expansion of the County's Adult Detention Center (the "ADC Project"), a new animal shelter at Independent Hill on Dumfries Road in the County (the "Animal Shelter Project") and the Groveton Station (#22), a Fire and Rescue station to be located at 7500 Century Park Drive (the "Fire Station Project" and collectively with the ADC Project and the Animal Shelter Project, the "2020 Projects"); and

WHEREAS, the Prince William County Park Authority (since consolidated with the County) previously issued its \$13,285,000 Park Facilities County Contribution Revenue Bonds, Series 2010 (the "2010 Park Bonds") of which \$5,410,000 remains outstanding, to refinance certain park facilities (the "Prior Projects and collectively with the 2020 Projects, the "Projects"); and

WHEREAS, the Board desires to effect debt service savings by refunding all or a portion of the outstanding 2010 Park Bonds (the "Bonds to be Refunded"); and

WHEREAS, the County will request the Industrial Development Authority of the County of Prince William (the "IDA") to consider a resolution authorizing the financing of the cost of the 2020 Projects, the refunding of the Bonds to be Refunded, and approving the necessary documents to affect such financing and related transactions; and

WHEREAS, the Board has previously approved, and the IDA has previously executed and delivered, a Master Trust Agreement, dated as of April 1, 2016, as supplemented (the "Master Trust Agreement"), between the IDA and U.S. Bank National Association, as trustee (in such capacity, the "Trustee"), that provides for the issuance of and security for bonds to be designated "Industrial Development Authority of the County of Prince William, Prince William County Facilities Revenue [and Refunding] Bonds"; and

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WHEREAS, there has been presented to the Board a proposed form of a second supplemental trust agreement (the "Supplemental Trust Agreement") between the IDA and the Trustee, supplementing the Master Trust Agreement, that will provide for the issuance of a series of Bonds, to be designated "Industrial Development Authority of the County of Prince William, Prince William County Facilities Revenue and Refunding Bonds, Series 2020A (County Facilities Projects)" (the "Series 2020A Bonds"); and

WHEREAS, the IDA will finance a portion of the cost of the 2020 Projects and the refunding of the Bonds to be Refunded by issuing the Series 2020 A Bonds, pursuant to Sections 208 and 209 of the Master Trust Agreement and the Supplemental Trust Agreement; and

WHEREAS, there has been presented to the Board a proposed form of an installment purchase contract (the "Installment Purchase Contract") by the terms of which the IDA will sell to the County the IDA's interest in the 2020 Projects and the Prior Projects, and the County will agree to make Basic Payments and Additional Payments (as defined in the Installment Purchase Contract) therefor, on the terms and conditions therein set forth, sufficient to pay the principal of and interest on the Series 2020A Bonds issued by the IDA to pay the cost of the 2020 Projects, the refunding of the Bonds to be Refunded and related expenses; and

WHEREAS, there has been presented to the Board a proposed form of a notice of sale, calling for bids for the Series 2020A Bonds to be purchased by one or more bidders on a date to be determined on the terms specified therein (the "Notice of Sale"); and

WHEREAS, there has been presented to the Board a proposed form of a preliminary official statement describing the Series 2020A Bonds, the IDA, the County, the Projects and the Bonds to be Refunded (the "Preliminary Official Statement"); and

WHEREAS, the County will undertake primary responsibility for any annual and other reports, notices or disclosures that may be required under Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended and make a continuing disclosure undertaking in the form of the continuing disclosure agreement presented to the Board (the "Continuing Disclosure Agreement"); and

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WHEREAS, there have been presented to this meeting drafts of the following documents (collectively, the "Documents") which the Board proposes to approve to carry out the offering of the Series 2020A Bonds and the refunding of the Bonds to be Refunded:

- (a) the Supplemental Trust Agreement;
- (b) the Installment Purchase Contract
- (c) the Notice of Sale;
- (d) the Preliminary Official Statement; and
- (e) the Continuing Disclosure Agreement.

WHEREAS, the Board has duly reviewed and considered the proposed forms of each of the Documents and has determined that each is in acceptable form;

NOW, THEREFORE, BE IT RESOLVED BY THE PRINCE WILLIAM BOARD OF COUNTY SUPERVISORS:

1. Request for Financing. The Board hereby requests the IDA to authorize and issue the Series 2020A Bonds in an aggregate principal amount not to exceed \$60,000,000 (which includes underwriting and net bond discounts, closing costs, and issuance expenses), for the purpose of financing the 2020 Projects and refunding the Bonds to be Refunded; such Series 2020A Bonds may be issued and sold on a date no later than June 30, 2021. The Series 2020A Bonds may be sold in a competitive sale pursuant to bids received electronically via the BiDCOMP/Parity Competitive Bidding System or similar electronic based competitive bidding system or may be sold through a negotiated sale to one or more underwriters. The portion of the Series 2020A Bonds to be sold for purposes of refunding the Bonds to be Refunded is subject to (i) favorable financial market conditions for the refunding of the Bonds to be Refunded determined by the County and its Financial Advisor and (ii) the approval of the IDA.

If the Series 2020A Bonds shall be sold in a competitive sale, the Series 2020A Bonds are requested to be awarded to the bidder submitting the best bid (determined in accordance with the requirements of the Notice of Sale and the terms set forth in resolution of the IDA Board of Directors) and the Prince William County Executive, a Deputy County Executive or the Director of Finance are hereby authorized to request the IDA to award the Series 2020A Bonds to such best bidder. The Series 2020A Bonds may, upon the approval of the IDA Chairman, Vice Chairman or other authorized officer and with the consent of the County Executive, a Deputy County Executive or the Chief Financial Officer, be sold in a negotiated sale to one or more underwriter(s), subject to the following conditions: (i) the Financial Advisor to the County shall have recommended that due

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to financial market conditions such a negotiated sale best serves the interest of the County and (ii) the underwriters of the 2020A Bonds shall have been chosen pursuant to County guidelines and regulations. If it is determined that the Series 2020A Bonds be sold in a negotiated sale, one or more underwriters shall be chosen in compliance with County guidelines and regulations and the County Executive, a Deputy County Executive or the Director of Finance of the County (each a "Delegate") is hereby authorized to execute or agree to a bond purchase agreement with such underwriters so long as the terms of such agreement are consistent with the provisions of this resolution.

2. Approval of Supplemental Trust Agreement. The Board approves the form of the Supplemental Trust Agreement attached hereto as **ATTACHMENT A**, providing for the custody, investment, and disbursement of the proceeds of the Series 2020A Bonds, and for the receipt, custody, pledge and application of Pledged Revenues (as defined in the Supplemental Trust Agreement).

3. Approval of Installment Purchase Contract. The Board approves the form of the Installment Purchase Contract attached hereto as **ATTACHMENT B** and, subject to annual appropriation, the payment of Basic Payments and Additional Payments thereunder. A Delegate is authorized and directed to execute and deliver, in the name of and on behalf of the County, the Installment Purchase Contract in substantially such form, with such additions, deletions, and modifications as shall be approved by the Delegate executing the Installment Purchase Contract, such execution being conclusive evidence of such approval.

4. Notice of Sale. The Board approves the form of the Notice of Sale attached hereto as **ATTACHMENT C**. If the Series 2020A Bonds are determined to be sold in a competitive sale, the Board authorizes and directs any Delegate to cause the distribution of a Notice of Sale to potential bidders for the Series 2020A Bonds.

5. Preliminary Official Statement. The Board approves the form of the Preliminary Official Statement, attached hereto as **ATTACHMENT D**. The Board authorizes and directs its staff to cause the distribution and use of the Preliminary Official Statement by the underwriter(s) in substantially the form submitted to this meeting, with such additions, deletions, and modifications as may be approved by any Delegate, in form deemed to be "final" as of its date, within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for pricing and other information permitted to be omitted in accordance with Rule 15c2-12, with such distribution constituting conclusive evidence that the Preliminary Official Statement has been deemed final as of its date. If the underwriters' offer in competitive or negotiated sale to purchase the Series 2020A Bonds is accepted, the Board authorizes a Delegate to complete the Preliminary Official Statement as an official statement in final form (the "Official Statement") and to

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cause the delivery of the Official Statement to the underwriters. The Official Statement shall be in substantially the form of the Preliminary Official Statement as "deemed final," with such further

additions, deletions, and modifications as may be necessary or desirable and that reflect the terms of the Series 2020A Bonds, all as shall be approved by a Delegate. The County's approval of all additions, deletions, and modifications to the Official Statement shall be evidenced conclusively by the execution and delivery thereof by the IDA.

6. Continuing Disclosure. The Board approves the form of the Continuing Disclosure Agreement, attached to the form of Preliminary Official Statement attached hereto as **ATTACHMENT D**, with such completions, omissions, insertions and changes as may be approved by a Delegate as the same shall be evidenced conclusively by the execution thereof, which is hereby authorized. On behalf of the County, the Board covenants and agrees, for the benefit of the holders of the Series 2020A Bonds, pursuant to the terms of the Continuing Disclosure Agreement in accordance with and as required by Rule 15c2-12 to provide or cause to be provided to The Electronic Municipal Market Access System ("EMMA") administered by the Municipal Securities Rulemaking Board annual financial information and operating data for the County, including audited financial statements of the County, for each fiscal year beginning with the fiscal year ended on June 30, 2020, in a timely manner, and to EMMA notices of certain events with respect to the Series 2020A Bonds, if material, including (a) notices of certain events set forth in Rule 15c2-12 with respect to the Series 2020A Bonds, if material, and (b) notice of any failure to provide such required information.

7. Recommendations of Board. The Board, while recognizing that it is not empowered to make any binding commitment to make appropriations beyond the current fiscal year, hereby states its intent to make annual appropriations in future fiscal years in amounts sufficient to make all Basic Payments and Additional Payments attributable to the Projects and the Bonds to be Refunded and hereby recommends that future Boards do likewise during the term of the Installment Purchase Contract.

8. Subject to Appropriation. The County's obligation to make Basic Payments and Additional Payments pursuant to the Installment Purchase Contract is hereby specifically stated to be subject to annual appropriation therefor by the Board, and nothing in this Resolution, the Series 2020A Bonds or the Documents shall constitute a pledge of the full faith and credit or taxing power of the County or compel the Board to make any such appropriation.

9. Tax Covenants. The County covenants that it shall not knowingly take or permit to be taken any action that would result in the loss of the exclusion of interest on the Series 2020A Bonds or the Bonds to be Refunded from gross income of the owners thereof for federal income tax purposes.

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10. Other Actions. All other actions of the officers of the County in conformity with the purpose and intent of this Resolution and in furtherance of the issuance and sale of the Series 2020A Bonds and the refunding of the Bonds to be Refunded are hereby approved and confirmed. The officers of the County are hereby authorized and directed to execute and deliver all certificates and instruments, including amendments to any documents executed and delivered in connection with the Series 2020A Bonds and the refunding of the Bonds to be Refunded, and to take all such further action as may be considered necessary or desirable in connection with the execution and delivery of the Documents, the issuance and sale of the Series 2020A Bonds, and the refunding of the Bonds to be Refunded. Any Delegate may approve additions, deletions, and modifications to the Documents to which the County is not a party from the forms presented to and approved by the Board pursuant to this resolution, and the execution and delivery of the Installment Purchase Contract by such Delegate shall be conclusive evidence of such approval.

11. Further Actions. The members of the Board and all officers, employees and agents of the County are hereby authorized to take such action as they or any one of them may consider necessary or desirable in connection with the issuance and sale of the Series 2020A Bonds and the refunding of the Bonds to be Refunded and any such action previously taken is hereby ratified and confirmed.

12. Repeal of Conflicting Resolutions. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

13. Effective Date. This resolution shall take effect immediately.

ATTACHMENT A: Second Supplemental Trust Agreement
ATTACHMENT B: Installment Purchase Contract
ATTACHMENT C: Notice of Sale
ATTACHMENT D: Preliminary Official Statement (Includes Continuing Disclosure Agreement)

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from the Vote: None

Absent from the Meeting: None

ATTEST: Andrea P. Madden
Clerk to the Board

Attachment A

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE WILLIAM,
VIRGINIA

and

U.S. BANK NATIONAL ASSOCIATION,

Trustee

SECOND SUPPLEMENTAL TRUST AGREEMENT

Authorizing and Securing

\$ _____

Prince William County Facilities Revenue and Refunding Series 2020A
(County Facilities Projects)

Dated as of October 1, 2020

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SECOND SUPPLEMENTAL TRUST AGREEMENT

This **SECOND SUPPLEMENTAL TRUST AGREEMENT**, dated as of October 1, 2020, by and between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE WILLIAM**, a political subdivision of the Commonwealth of Virginia (the “IDA”), and U.S. Bank National Association, a banking corporation duly organized and existing under the laws of the United States of America, and having a corporate trust office in Richmond, Virginia, which is authorized under such laws to exercise corporate trust powers, is subject to examination by state authority, and is trustee under the Master Trust Agreement hereinafter mentioned (the “Trustee”):

W I T N E S S E T H:

WHEREAS, the IDA has heretofore executed and delivered a master trust agreement, dated as of April 1, 2016 (the “Master Trust Agreement”), by and between the IDA and the Trustee, for the purpose of fixing and declaring the conditions upon which bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become holders thereof, and in order to secure the payment of all bonds at any time issued and outstanding thereunder, and the interest thereon, according to their tenor, purport and effect; and

WHEREAS, the Master Trust Agreement provides that bonds may be issued under and secured by the Master Trust Agreement from time to time for the purpose of providing funds, together with any other available funds, for paying all or any portion of the Cost of acquiring, improving, equipping, furnishing any IDA facility (as such term is defined by the Enabling Act); and

WHEREAS, in accordance with the provisions of the Master Trust Agreement, the IDA has by resolution, adopted on October __, 2020 (the “Authorizing Resolution”), authorized the issuance under this Second Supplemental Trust Agreement of one series of its revenue bonds for the purpose of providing funds, together with any other available funds, (i) to finance for Prince William County, Virginia (the “County”), the costs of the Phase 2 expansion of the Adult Detention Center (the “ADC Project”), a new Animal Shelter (the “Animal Shelter Project”) and the Mid-County Fire Station 22 (the “Fire Station Project” and collectively with the ADC Project and the Animal Shelter Project, the “2020 Projects”), (ii) to refund certain Park Facilities County Contribution Revenue Bonds, Series 2010 (the “2010 Park Bonds”), issued by the Prince William County Park Authority, which has since been consolidated with the County, and (iii) to pay costs in connection with the issuance of the bonds; and

WHEREAS, Sections 208 and 209 of the Master Trust Agreement contemplates that the IDA may fix or provide for in this Second Supplemental Trust Agreement the aggregate principal amount of such series of bonds, the maturity dates, the interest rates, the redemption provisions and other details thereof; and

WHEREAS, Section 1101(e) of the Master Trust Agreement provides that the IDA may enter into a supplement to the Master Trust Agreement, in form satisfactory to the Trustee, which shall not be inconsistent with the terms and provisions of the Master Trust Agreement, to provide

for the issuance and to fix the details of the Bonds issued under Sections 208 and 209 of the Master Trust Agreement; and

WHEREAS, the execution and delivery of this Second Supplemental Trust Agreement have been duly authorized by the Authorizing Resolution, and the IDA has requested the Trustee join with it in the execution of this Second Supplemental Trust Agreement; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the Commonwealth of Virginia and by the resolutions of the IDA to happen, exist and be performed precedent to and in the execution of this Second Supplemental Trust Agreement have happened, exist and have been performed as so required; and

WHEREAS, the Trustee has accepted the trusts created by this Second Supplemental Trust Agreement and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL TRUST AGREEMENT WITNESSETH, that in consideration of the premises and of the acceptance by the Trustee of the trusts created hereby and by the Master Trust Agreement, and also for and in consideration of the sum of One Dollar to the IDA in hand paid by the Trustee at or before the execution and delivery of this Second Supplemental Trust Agreement, the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed and covenanted by and between the parties hereto, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. **Meaning of Words and Terms.** All terms not defined herein shall have the meanings given to them in the Master Trust Agreement.

“ADC Project” shall mean phase two of the expansion of the County’s Adult Detention Center financed with a portion of the proceeds of the Series 2020A Bonds.

“ADC Property” shall mean the land and all improvements, comprising the site of the ADC Project located at 9320 Lee Avenue, Manassas, Virginia.

“Allocated Bonds” shall mean those Series 2020A Bonds allocated by the County, in a certificate of a County Representative delivered to the Trustee, to the ADC Property, the Animal Shelter Property, the Fire Station Property or the 2010 Properties, as the case may be, in an event referred to in Section 3.01 hereof under the heading Extraordinary Optional Redemption.

“Animal Shelter Project” shall mean a new animal shelter at Independent Hill on Dumfries Road in the County financed with a portion of the proceeds of the Series 2020A Bonds.

“Animal Shelter Property” shall mean the land and all improvements, comprising the site of the Animal Shelter Project located at Independent Hill on Dumfries Road in the County.

“Bond Counsel” shall mean any attorney or firm of attorneys selected by the IDA whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

“Bonds to be Refunded” shall mean certain outstanding Series 2010 Park Bonds to be refunded by a portion of the proceeds of the Series 2020A Bonds.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Deposit Day” shall mean the last Business Day of each March and September, commencing March 31, 2021.

“DTC” shall mean The Depository Trust Company and its successors.

“Fire Station Project” shall mean the construction of Groveton Station (#22), a Fire and Rescue station to be located at 7500 Century Park Drive financed with a portion of the proceeds of the Series 2020A Bonds.

“Fire Station Property” shall mean the land and all improvements, comprising the site of the Fire Station Project located at 7500 Century Park Drive in the west end of the County.

“Interest Payment Date” shall mean each April 1 and October 1, commencing April 1, 2021.

“Net Proceeds” when used with respect to any insurance or condemnation award, shall mean the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after the payment of all out-of-pocket expenses of the applicable parties incurred in the collection of such gross proceeds.

“Opinion of Bond Counsel” shall mean a written opinion of Bond Counsel.

“Paying Agent” shall mean U.S. Bank National Association or any successor, the paying agent of the Series 2020A Bonds.

“Payment Agreement” shall mean the Installment Purchase Contract, dated as of October 1, 2020, between IDA and the County relating to the 2020 Projects and the refunding of the 2010 Park Bonds, together with any supplements and amendments thereto permitted thereby.

“Payment of the Allocated Bonds” shall mean payment of the principal of and interest on all the Allocated Bonds in accordance with their terms, whether through payment at maturity or purchase and cancellation or redemption or provision for such payment in such a manner that the Bonds shall be deemed to have been paid under Section 1301 of the Master Trust Agreement.

“Pledged Revenues” shall mean (a) all payments of Basic Payments, (b) all payments of Additional Payments except to the extent to pay IDA Liabilities and (c) the income from the investment under the provisions of the Master Trust Agreement of the moneys held for the credit of the various subfunds and accounts created under the Master Trust Agreement. Pledged

Revenues shall not include the proceeds of any insurance, other than as mentioned above, or any capital gifts, grants, donations or contributions or borrowed funds. Any lump sum payment or prepayment received by the Trustee and not accompanied by instructions from the IDA Representative to the contrary shall be reserved by the Trustee in the County Facilities Projects Fund, disbursed to the Debt Service Subfund, and recognized as Pledged Revenues, semi-annually over the appropriate accrual period; provided, however, that if the IDA Representative shall direct, such lump sum payment or prepayment shall be applied to the redemption or defeasance of the Series 2020A Bonds in accordance with such direction.

“Principal Payment Date” shall mean April 1, 2021, and each October 1 thereafter for the Series 2020A Bonds upon which the principal of the Series 2020A Bonds is stated to mature or upon which the principal of any Term Bond is subject to mandatory sinking fund redemption.

“Projects” shall mean the 2010 Projects and the 2020 Projects.

“Purchase Price” shall mean an amount equal to the principal amount of the Series 2020A Bonds.

“Rebate Liability” shall mean the amount or amounts periodically determined by an Accountant selected by the IDA Representative to be set aside in the Improvement Subfund and the amount or amounts to be paid to the United States of America pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended.

“Redemption Price” shall mean, with respect to the Series 2020A Bonds or a portion thereof, the principal amount of such Series 2020A Bonds or portion thereof plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with the terms of this Second Supplemental Trust Agreement and the Master Trust Agreement.

“Series 2020A Bonds” shall mean the Series 2020A Bonds issued pursuant to the provisions of Sections 208 and 209 of the Master Trust Agreement and this Second Supplemental Trust Agreement (i) to finance the costs of the “ADC Project, the Animal Shelter Project, and the Fire Station Project, (ii) to refund certain outstanding 2010 Park Bonds, and (iii) to pay costs in connection with the issuance of the Series 2020A Bonds.

“Sinking Fund Requirements” shall mean, with respect to Term Bonds of each maturity, the principal amount fixed or computed for the retirement of such Term Bonds by purchase or redemption pursuant to the provisions of Section 3.01 of this Second Supplemental Trust Agreement.

“Term Bonds” shall mean all or some of the Bonds of a series, other than Serial Bonds, stated to be payable by their terms on one or more dates and so designated in this Second Supplemental Trust Agreement.

“2010 Park Bonds” shall mean those certain outstanding Park Facilities County Contribution Revenue Bonds, Series 2010 issued by the Prince William County Park Authority to be refunded by a portion of the Series 2020A Bonds.

“2010 Projects” shall mean the the General’s Ridge Golf Course and the Splash/Down Water Park financed or refinanced with the proceeds of the 2010 Park Bonds.

“2010 Properties” shall mean the land and all improvements, comprising the sites of the 2010 Projects located at 9701 Manassas Drive, Manassas Park, Virginia, and 7500 Ben Lomond Park Drive, Manassas, Virginia.

“2020 Projects” shall mean the ADC Project, the Animal Shelter Project and the Fire Station Project.

ARTICLE II

DETAILS OF BONDS; ISSUANCE OF BONDS

Section 2.01. (a) **Terms of the Series 2020A Bonds.** The Series 2020A Bonds shall be designated “Prince William County Facilities Revenue and Refunding Bonds Series 2020A (County Facilities Projects).” The Series 2020A Bonds shall be issued in registered form without coupons, registered in the name of CEDE & Co., as nominee of DTC, and numbered R-1 and upward. The definitive Series 2020A Bonds issued under the provisions of this Second Supplemental Trust Agreement shall be Current Interest Bonds issued in substantially the form set forth in the Master Trust Agreement. The Series 2020A Bonds shall be issued in the aggregate principal amount of \$_____ shall be dated the day of their delivery and shall be issued in denominations of \$5,000 and any multiple thereof. The Series 2020A Bonds shall be serial bonds maturing on the dates, in the principal amounts and bearing interest at the rates per annum, as follows:

Maturity <u>Date</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	Maturity <u>Date</u>	Principal <u>Amount</u>	Interest <u>Rate</u>
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Interest on the Series 2020A Bonds shall be payable semi-annually (based upon a 360-day year of twelve 30-day months) on the first day of April and October in each year to maturity, commencing April 1, 2021. The Regular Record Date for the Series 2020A Bonds shall be the 15th day (whether or not a business day) of the calendar month next preceding the applicable Interest Payment Date.

Section 2.02. **Authentication.** Upon their execution in the form and manner set forth in the Master Trust Agreement and this Second Supplemental Trust Agreement, the Series 2020A Bonds shall be deposited with the Bond Registrar for authentication, and the Bond Registrar is hereby authorized and directed to authenticate and the Trustee shall cause the Bond Registrar to

(i) deliver the Series 2020A Bonds for the account of _____ (the “Underwriters”), as representative of the underwriters for the Series 2020A Bonds, at DTC, but only upon payment to the Bond Registrar, for the account of IDA, of \$_____, being the amount of the purchase price of the Series 2020A Bonds.

Section 2.03. Requirements Before Issuance. Before the Series 2020A Bonds shall be delivered by the Bond Registrar, there shall be filed or deposited with the Bond Registrar, each of the documents required by Section 208 (a) to (h), inclusive of the Master Trust Agreement.

Section 2.04. Application of the Proceeds of the Series 2020A Bonds. (a) The proceeds (including any premium) of the Series 2020A Bonds shall be applied by the Trustee simultaneously with the delivery of the Series 2020A Bonds as follows:

(A) with the Trustee, to the credit of a special account hereby created in the Construction Subfund (the “2020A Costs of Issuance Account”), \$_____, being an amount equal to the sum of the costs associated with the issuance of such Series of Bonds;

(B) with the Trustee, to the credit of a special account hereby created in the Construction Subfund for purposes of the constructing and equipping of the 2020 Projects (the “2020A Projects Account”), \$_____; and

(C) with U.S. Bank National Association, as paying agent for the Bonds to be Refunded for the purpose of refunding the Bonds to be Refunded, the balance remaining (\$_____) after the foregoing deposits have been made.

ARTICLE III

REDEMPTION OF BONDS

Section 3.01. Redemption Provisions of the Series 2020A Bonds.

(a) Optional Redemption. The Series 2020A Bonds that are stated to mature after _____ 1, 203-, are subject to redemption, in the manner and under the terms and conditions provided in the Master Trust Agreement, at the option of IDA, from any money that may be made available for such purpose, either in whole or in part, as determined by the IDA, on any date not earlier than _____ 1, 203-, at a Redemption Price equal to 100% of the Series 2020A Bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption.

(b) Extraordinary Optional Redemption. The Series 2020A Bonds are subject to extraordinary optional redemption, in whole or in part, on any date at a price equal to the principal amount thereof, together with interest thereon accrued to the date of redemption, upon the exercise by the County of its option to prepay the Purchase Price or a portion thereof pursuant to the Payment Agreement when the following events occur:

(1) Circumstances Under Which County May Not Repair Damage. In the event that a Project or any portion thereof is destroyed by fire or other casualty, the County may within 90 days after such damage or destruction, elect by written notice to IDA not to repair, reconstruct or restore such Project, provided that the Net Proceeds of insurance payable as a result of such damage or

destruction together with other money held for the payment of or as security for the Series 2020A Bonds and any additional sums paid by the County are sufficient to provide for Payment of the Allocated Bonds. In such event, the County shall, in its notice of election to IDA, state that such Net Proceeds and other money, if any, shall be applied to defease the lien of this Second Supplemental Trust Agreement with respect to the Allocated Bonds in accordance with its terms and such Net Proceeds shall be paid to IDA for the purpose of such defeasance.

(2) Condemnation. If the County shall determine in accordance with the provisions of the Payment Agreement that the utility of a Project, cannot be maintained, restored or replaced following a taking, the net proceeds payable as a result of such taking shall be paid for the account of IDA to the Trustee and the County shall pay to the Trustee for the account of IDA such additional amount as shall be required, together with such net proceeds and all amounts held under the Master Trust Agreement and this Second Supplemental Trust Agreement and available for the purpose, for the payment of the Payment of the Allocated Bonds.

To exercise such option, the County will give written notice to the IDA, and to the Trustee, and shall provide therein a specific direction to IDA to apply such prepayment to the purchase and cancellation, redemption, or defeasance of Bonds in accordance with their terms. The date provided as to when such prepayment is to occur may not be less than 45 days from the date such notice is mailed, and in case of a redemption of the Series 2020A Bonds in accordance with the provisions of this Second Supplemental Trust Agreement shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. Upon receipt by the IDA of the Purchase Price from the County, the IDA will release the County from its obligation under the Payment Agreement or if such prepayment is only a partial amount of the amount owed under the Payment Agreement the County's obligations under the Payment Agreement will be reduced as provided therein.

(c) *Notice of Redemption*. At least 30 but not more than 90 days before the redemption date of any Series 2020A Bonds, whether in whole or in part, the Trustee will cause notice of any such redemption to be mailed by certified mail, return receipt requested, to all holders of Series 2020A Bonds to be redeemed in whole or in part. Any defect in such notice or the failure to mail such notice, shall not affect the validity of the proceedings for the redemption of any other Series 2020A Bonds. While the Series 2020A Bonds are held in the name of DTC or its nominee, such redemption notices will be sent by electronic means to Cede & Co., not to the beneficial owners of the Series 2020A Bonds.

Any notice of optional or extraordinary optional redemption of the Series 2020A Bonds may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the Redemption Price plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time before the payment of the Redemption Price of any such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds on deposit by IDA, the corresponding notice of redemption shall be deemed to be revoked.

If IDA gives an unconditional notice of redemption, then on the redemption date the Series 2020A Bonds called for redemption will become due and payable. If IDA gives a conditional notice of redemption and if on the redemption date money to pay the redemption price of the

affected Series 2020A Bonds shall have been set aside in escrow pursuant to the terms of an escrow deposit agreement or similar instrument with the Trustee or a depository (either, a “depository”) for the purpose of paying such Series 2020A Bonds, then on the redemption date the Series 2020A Bonds will become due and payable. In either case, if on the redemption date the Trustee holds money to pay the Series 2020A Bonds called for redemption, thereafter, no interest will accrue on those Series 2020A Bonds, and a Holder’s only right will be to receive payment of the redemption price upon surrender of those Series 2020A Bonds.

ARTICLE IV

CONSTRUCTION SUBFUND

Section 4.01. **Payments from Construction Subfund.** Money in the 2020A Projects Account shall be used solely to pay or reimburse the payment of Costs of the 2020 Projects and pending such use, may be invested, at the direction of an IDA Representative but in accordance with a schedule of estimated disbursements furnished by and updated from time to time by a County Representative, in Investment Obligations in accordance with the provisions of Article VI of the Master Trust Agreement.

ARTICLE V

REVENUES, FUNDS AND SUBFUNDS

Section 5.01. **Funds Received.** As set forth in the Master Trust Agreement, all Pledged Revenues received by the Trustee shall be credited to the County Facilities Projects Fund. The money to the credit of the County Facilities Projects Fund shall be subject to a lien and charge in favor of the Holders until applied and paid out as herein authorized.

Section 5.02. **Application of Pledged Revenues.** Semi-annually, on or before each Deposit Day, the Trustee shall withdraw money to the credit of the County Facilities Projects Fund and apply such money as provided in Section 502 of the Master Trust Agreement.

ARTICLE VI

DEPOSITARIES OF MONEY, SECURITY FOR DEPOSITS AND INVESTMENTS

Section 6.01. **Security, Valuation and Investment.** Any and all money relating to the Series 2020 Bonds deposited under this Second Supplemental Trust Agreement and the Master Trust Agreement will be secured, invested and valued pursuant to the provisions of Article VI of the Master Trust Agreement.

ARTICLE VII

GENERAL COVENANTS AND REPRESENTATIONS

Section 7.01. Payment of Principal, Interest and Premium. IDA shall cause to be paid, when due, the principal of (whether at maturity, by call for redemption or otherwise) and the premium, if any, and the interest on the Series 2020A Bonds at the places, on the dates and in the manner provided herein and in the Series 2020A Bonds according to the true intent and meaning thereof.

The Series 2020A Bonds are payable, on a parity with any other outstanding Bonds, solely from Pledged Revenues derived by IDA from the Payment Agreement and other money pledged under the Master Trust Agreement and this Second Supplemental Trust Agreement and, until paid out in accordance with the provisions of the Master Trust Agreement amounts credited to the 2020A Police Station Project Account. The Series 2020A Bonds issued under this Second Supplemental Trust Agreement and the Master Trust Agreement shall not be deemed to constitute a debt or pledge of the faith and credit of the State or of any political subdivision thereof, including IDA and the County. Neither the faith and credit nor the taxing power of the State or IDA or the County or any other political subdivision is pledged to the payment of the principal of or premium, if any, or interest on the Series 2020A Bonds, and the issuance of the Series 2020A Bonds shall not directly or indirectly or contingently obligate the State or the County to levy any taxes whatever therefor or to make any appropriation for their payment except from the revenues and receipts provided for their payment under the Master Trust Agreement and this Second Supplemental Trust Agreement. IDA has no taxing power.

Section 7.02. Request of County to appropriate. IDA hereby covenants that it shall, through an IDA Representative, request the County annually, for each fiscal year following the issuance of the Series 2020A Bonds, to budget, appropriate and pay to the Trustee an amount equal to the Basic Payments (as defined in the Payment Agreement) payable by the County under the Payment Agreement in such fiscal year. IDA also hereby covenants that it shall, through an IDA Representative, request the County, annually for each fiscal year following the issuance of the Series 2020A Bonds, to budget, appropriate and apply as provided in the Payment Agreement, this Second Supplemental Trust Agreement and the Master Trust Agreement an amount equal to the estimated Additional Payments (as defined in the Payment Agreement) payable by the County under the Payment Agreement in such fiscal year. Alternatively, IDA, through an IDA Representative, may request the County to include as a single line item in its annual budget an item designated “Basic and Additional Payments – Master Trust Agreement” in an amount not less than an amount sufficient, in the judgment of the County, to make all payments scheduled to become due, and pay all other amounts payable by the County, pursuant to the Payment Agreement and all other payment agreements referred to in the Master Trust Agreement during such fiscal year.

Section 7.03. Tax Covenants. IDA covenants that it will not take any action that would, or fail to take any action which failure would, cause interest on the Series 2020A Bonds to become includable in gross income for federal income tax purposes pursuant to the provisions of the Code.

(a) As of a date not later than five years after the issue date of the Series 2020A Bonds (the “Initial Installment Computation Date”), and at least once every five years thereafter, IDA shall cause the Rebate Liability to be computed and shall deliver a copy of the calculation of the Rebate Liability to the Trustee. Amounts paid for the purpose of funding the Rebate Liability, or otherwise made available therefor, shall be deposited by the Trustee in the Improvement Subfund.

(1) not later than sixty (60) days after each Initial Installment Computation Date, IDA shall pay, or direct the Trustee to pay from amounts in the Improvement Subfund, to the United States of America at least ninety percent (90%) of the Rebate Liability as calculated with respect to such installment computation date;

(2) no later than sixty (60) days after the installment computation date that is the fifth anniversary of the Initial Installment Computation Date and no later than sixty (60) days after every fifth anniversary date thereafter until final payment of the Series 2020A Bonds, IDA shall direct the Trustee to pay from amounts in the Improvement Subfund transferred from the Construction Subfund and payments received pursuant to the Payment Agreement for Rebate Liability purposes, to the United States of America not less than the amount, if any, by which ninety percent (90%) of the Rebate Liability set forth in the most recent Rebate Liability calculation exceeds the aggregate of all such payments theretofore made to the United States of America with respect to the Series 2020A Bonds; and

(3) no later than sixty (60) days after final Payment of the Series 2020A Bonds, IDA shall pay, or direct the Trustee to pay from amounts in the Improvement Subfund, to the United States of America the amount, if any, by which 100% of the Rebate Liability calculated with respect to the date of final payment of the Series 2020A Bonds exceeds the aggregate of all payments theretofore made pursuant to this section.

(b) IDA represents that it will instruct the Trustee as to the final application of the amounts in the Improvement Subfund to make payments to the United States of America of all or a portion of the Rebate Liability on such dates or amounts in order for IDA to comply with the conditions in this section of this Second Supplemental Trust Agreement.

All such payments shall be made by, or at the direction of, an IDA Representative from any legally available source, including money in the Improvement Subfund.

The Trustee shall not be responsible for any determination or calculation concerning arbitrage rebate with respect to the Series 2020A Bonds, or for determining whether the yield on any investments made in accordance with the Master Trust Agreement would cause, or whether any other facts exist that would cause, any of the Series 2020A Bonds to become arbitrage bonds under Section 148 of the Code.

Notwithstanding any provision of this Section to the contrary, no such Rebate Liability payment need be made if IDA receives and delivers to the Trustee an Opinion of Bond Counsel to the effect that such payment (1) is not required under the Code to prevent the Series 2020A Bonds from becoming “arbitrage bonds” within the meaning of Section 148 of the Code, or (2) may or should be calculated and paid on some alternative basis under the Code, and IDA complies with such alternative basis.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01. **Events of Defaults, Remedies, Enforcement of Remedies, Etc.** The Master Trust Agreement described certain events that constitute defaults and Events of Default in respect of the Series 2020A Bonds, in which events the Holders thereof and the Trustee shall have such remedies, all as provided in Article VIII of the Master Trust Agreement.

ARTICLE IX

CONCERNING THE TRUSTEE, BOND REGISTRAR, DEPOSITARY AND PAYING AGENT

Section 9.01. **Trustee to Perform Duties of Bond Registrar.** The Trustee accepts and agrees to execute the trusts imposed upon it as Bond Registrar under this Second Supplemental Trust Agreement and under the Master Trust Agreement as supplemented by this Second Supplemental Trust Agreement, but only upon the terms and conditions set forth in and subject to the provisions of the Master Trust Agreement, to all of which the parties hereto and the Holders of the Series 2020A Bonds agree.

ARTICLE X

EXECUTION OF INSTRUMENTS BY HOLDERS AND PROOF OF OWNERSHIP OF BONDS

Section 10.01. **Execution of Instruments, Proof of Ownership.** Holders may prove their execution of instruments and their ownership of the Series 2020A Bonds as provided in Article X of the Master Trust Agreement.

ARTICLE XI

SUPPLEMENTAL TRUST AGREEMENTS

Section 11.01. **Supplemental Agreements Without Consent of Holders.** IDA from time to time and at any time, may enter into such supplements and amendments to this Second Supplemental Trust Agreement as shall be consistent with the terms and provisions of this Second Supplemental Trust Agreement and the Master Trust Agreement (which supplements and amendments shall thereafter form a part hereof):

- (a) to cure any ambiguity or formal defect or omission, or to correct or supplement any provision herein that may be inconsistent with any other provision herein, or
- (b) to grant to or confer upon the Holders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders, or
- (c) to add to the conditions, limitations and restrictions thereafter to be observed by IDA under the provisions of this Second Supplemental Trust Agreement, or
- (d) to add to the covenants and agreements of IDA in this Second Supplemental Trust Agreement other covenants and agreements thereafter to be observed by IDA or to surrender any right or power herein reserved to or conferred upon IDA, or
- (e) to make change necessary to comply with the requirements of any Rating Agency rating the Series 2020A Bonds at the request of the County, or
- (f) to make any other change that, in the judgment of IDA and the Trustee, would not materially adversely affect the security for the Series 2020A Bonds.

Section 11.02. Modification of Agreements with Consent of Holders. Subject to the terms and provisions contained in this Section, and not otherwise, the Holders of not less than a majority in aggregate principal amount of Series 2020A Bonds then Outstanding that will be affected by a proposed supplement or amendment to this Second Supplemental Trust Agreement shall have the right, from time to time, anything contained in this Second Supplemental Trust Agreement to the contrary notwithstanding, to consent to and approve the entry by IDA into such supplement or amendment as shall be deemed necessary or desirable by IDA for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Second Supplemental Trust Agreement; provided, however, that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Series 2020A Bonds issued hereunder, or (b) a reduction in the principal amount of any Series 2020A Bonds or the redemption premium or the rate of interest thereon, or (c) the creation of a pledge or lien on the money credited to the Debt Service Subfund, or the Construction Subfund other than the pledge and lien created by the Master Trust Agreement and this Second Supplemental Trust Agreement, or (d) a preference or priority of any Series 2020A Bonds over any other Series 2020A Bonds, or (e) a reduction in the aggregate principal amount of Series 2020A Bonds required for consent to such supplemental agreement. Nothing herein contained, however, shall be construed as making necessary the approval by the Holders of the adoption and acceptance of any supplement or amendment to this Second Supplemental Trust Agreement as authorized in Section 11.01 of this Article or of any supplement or amendment to the Master Trust Agreement as authorized in Section 1101 thereof.

If at any time IDA shall determine that it is desirable to enter any supplement or amendment to this Second Supplemental Trust Agreement for any of the purposes of this Section, IDA shall cause notice of the proposed execution of such supplement or amendment to be mailed, first class, postage prepaid, to all Holders. Such notice shall briefly set forth the nature of the proposed supplement or amendment to this Second Supplemental Trust Agreement and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Holders.

IDA shall not, however, be subject to any liability to any Holder by reason of its failure to mail the notice required by this Section, and any such failure shall not affect the validity of such supplement or amendment to this Second Supplemental Trust Agreement when approved and consented to as provided in this Section.

Whenever, at any time within three years after the date of the first mailing of such notice, IDA shall receive an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Series 2020A Bonds then outstanding that are affected by a proposed supplement or amendment to this Second Supplemental Trust Agreement, which instrument or instruments shall refer to the proposed supplemental resolution described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, IDA may adopt such supplemental resolution in substantially such form, without liability or responsibility to any Holder, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Series 2020A Bonds Outstanding that are affected by a proposed supplement or amendment to this Second Supplemental Trust Agreement at the time of the execution of such supplement or amendment shall have consented to and approved the execution thereof as herein provided, no Holder shall have any right to object to the execution of such supplement or amendment, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain IDA from entering into the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any supplement or amendment to this Second Supplemental Trust Agreement pursuant to the provisions of this Section, this Second Supplemental Trust Agreement shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Second Supplemental Trust Agreement of IDA, the Trustee, the Bond Registrar and all Holders shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Second Supplemental Trust Agreement as so modified and amended.

Section 11.03. Exclusion of Bonds. Series 2020A Bonds owned or held by or for the account of IDA or the County shall not be deemed outstanding Series 2020A Bonds for the purpose of any consent or other action or any calculation of outstanding Series 2020A Bonds provided for in this Article or Article XII, and IDA as holder of such Series 2020A Bonds shall not be entitled to consent or take any other action provided for in this Article or Article XII. At the time of any consent or other action taken under this Article or Article XII, IDA shall furnish the Trustee a certificate signed by an IDA Representative, upon which the Trustee may rely, describing all Series 2020A Bonds so to be excluded.

Section 11.04. Trustee Entitled to Exercise Discretion. In each and every case provided for in this Article, the Trustee shall be entitled to exercise its discretion in determining whether or not any proposed supplement or amendment to this Second Supplemental Trust Agreement, or any term or provision therein contained, is desirable, having in view the purposes of such instrument, the needs of IDA, the rights and interests of the Holders, and the rights, obligations and interests of the Trustee, and the Trustee shall not be under any responsibility or liability to the IDA or to

any Holder or to anyone whomsoever for its refusal in good faith to enter into any such supplement or amendment to this Second Supplemental Trust Agreement if such agreement is deemed by it to be contrary to the provisions of this Article. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it, who may be counsel for IDA, as evidence that any such proposed supplement or amendment does or does not comply with the provisions of this Second Supplemental Trust Agreement and the Master Trust Agreement, and that it is or is not proper for it, under the provisions of this Article, to join in the execution of such supplement or amendment.

ARTICLE XII

SUPPLEMENTS AND AMENDMENTS TO THE PAYMENT AGREEMENT

Section 12.01. **Supplements and Amendments Not Requiring Holders' Consent.** IDA may enter into supplements and amendments to the Payment Agreement only in accordance with the provisions of this Article. From time to time and at any time, IDA may enter into such supplements and amendments as it shall deem not adverse to the interests of the Holders of the Series 2020A Bonds after thirty (30) days' prior notice to, but without the consent of, the Trustee. From time to time and at any time, IDA may enter into other supplements and amendments to the Payment Agreement, and the Trustee may consent to such amendments and supplements to the Payment Agreement as shall not, in the judgment of the Trustee, be materially adverse to the interests of the Holders of the Series 2020A Bonds (which supplements and amendments shall thereafter form a part thereof):

(a) to cure any ambiguity or formal defect or omission in the Payment Agreement or in any supplement or amendment thereto, or

(b) to grant to or confer upon IDA or the Trustee, for the benefit of the Holders of the Series 2020A Bonds, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders of the Series 2020A Bonds or IDA or the Trustee, or

(c) to make any other change in the Payment Agreement, provided only that no such change shall be made to provisions of the Payment Agreement relating to payments that would, in the judgment of the Trustee, be materially adverse to the interests of the Holders.

Amendments or supplements to the Payment Agreement pursuant to this Section 12.01 may be made without the consent of the Holders.

Section 12.02. **Supplements and Amendments Requiring Holders' Consent.** Except for supplements or amendments provided for in Section 12.01, IDA shall not enter into and the Trustee shall not consent to any supplement or amendment to the Payment Agreement unless notice of the proposed execution of such supplement or amendment shall have been given and the Holders of more than a majority in aggregate principal amounts of the Series 2020A Bonds then outstanding shall have consented to and approved the execution thereof, in the same manner as provided for in Section 11.02 hereof in the case of supplements and amendments to this Second Supplemental Trust Agreement; provided that the Trustee shall be entitled to exercise its discretion in consenting or not consenting to any such supplement or amendment in the same manner as

provided for in Section 11.04 hereof in the case of supplements and amendments to this Second Supplemental Trust Agreement.

ARTICLE XIII

DEFEASANCE

Section 13.01. **Defeasance.** When (a) the Series 2020A Bonds secured hereby shall have become due and payable in accordance with their terms or otherwise as provided in this Second Supplemental Trust Agreement or the Master Trust Agreement, and (b) the whole amount of the principal and the interest and premium, if any, so due and payable upon all Series 2020A Bonds shall be paid or if the Trustee, the Bond Registrar or any Paying Agent shall hold sufficient money or Defeasance Obligations the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of, and the interest and redemption premium, if any, on all Series 2020A Bonds then outstanding to the maturity date or dates of such Series 2020A Bonds or dates fixed for Sinking Fund Redemption or to the date or dates specified for the optional or extraordinary optional redemption thereof, and (c) if Series 2020A Bonds are to be called for redemption, irrevocable instructions to call unconditionally the Series 2020A Bonds for redemption shall have been given by IDA, and (d) sufficient funds shall also have been provided or provision made for paying all other obligations payable hereunder by IDA, then and in that case the right, title and interest of the Holders in the Subfunds mentioned in this Second Supplemental Trust Agreement and the Master Trust Agreement shall thereupon cease, determine and become void and, on demand of IDA and upon being furnished with an opinion, in form and substance satisfactory to the Trustee, of counsel nationally recognized as expert in legal matters relating to states and their political subdivisions, to the effect that all conditions precedent to the release of this Second Supplemental Trust Agreement have been satisfied, the Trustee shall release this Second Supplemental Trust Agreement and shall execute such documents to evidence such release as may be reasonably required by IDA and shall turn over to IDA, any surplus in any and all balances remaining in all Subfunds that are allocable to the Series 2020A Bonds, other than moneys held for the redemption or payment of Series 2020A Bonds. Otherwise, this Second Supplemental Trust Agreement shall be, continue and remain in full force and effect; provided, that, in the event Defeasance Obligations shall be deposited with and held by the Bond Registrar or any Trustee or Paying Agent as hereinabove provided, (i) in addition to the requirements set forth in Article III of this Second Supplemental Trust Agreement, IDA, within thirty (30) days after such money or Defeasance Obligations shall have been deposited with it, shall cause a notice signed by the Bond Registrar to be mailed to all Holders of the Series 2020A Bonds setting forth (a) the date or dates, if any, designated for the redemption of the Series 2020A Bonds, (b) the deposit of such money or Defeasance Obligations so held by it, and (c) that this Second Supplemental Trust Agreement has been released in accordance with the provisions of this Section, and (ii) the Bond Registrar shall retain such rights, powers and privileges under this Second Supplemental Trust Agreement as may be necessary and convenient for the registration of transfer and exchange of Series 2020A Bonds.

All moneys and Defeasance Obligations held by the Trustee or any Paying Agent (or the Bond Registrar) pursuant to this Section shall be held in trust and applied to the payment, when due, of the obligations payable therewith.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 14.01. Second Supplemental Trust Agreement as supplemental agreement. This Second Supplemental Trust Agreement is executed and shall be construed as an agreement supplemental to the Master Trust Agreement, and shall form a part thereof, and, as hereby supplemented, the Master Trust Agreement is hereby ratified, approved and confirmed.

Section 14.02. Recitals, Statements and Representations made by IDA, not Trustee. The recitals, statements and representations contained herein shall be taken and construed as made by and on the part of the IDA and not by the Trustee, and the Trustee assumes and shall be under no responsibility for the correctness of the same.

Section 14.03. IDA, County, Trustee and Bondholders Alone to Have Rights. Nothing in this Second Supplemental Trust Agreement expressed or implied is intended or shall be construed to give to any person other than IDA, the County, the Trustee and the Holders of the Series 2020A Bonds issued under the Master Trust Agreement and this Second Supplemental Trust Agreement any legal or equitable right, remedy or claim under or in respect of this Second Supplemental Trust Agreement, or under any covenant, condition or provisions therein or herein or in said Series 2020A Bonds contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of IDA, the County, the Trustee and the Holders of said Series 2020A Bonds issued under the Master Trust Agreement and this Second Supplemental Trust Agreement.

Section 14.04. Identifying Information. To help the government fight the funding of terrorism and money laundering activities, federal law requires the Trustee to obtain, verify and record information that identifies each person who opens an account. IDA agrees to provide documentation to verify its formation and existence as a legal entity if requested by the Trustee. The Trustee may also ask to see financial statements, licenses, and identification and authorization documents from IDA or other relevant documentation.

Section 14.05. Headings Not Part of Agreement; Certain Definitions. The title of Sections and any wording on the cover of this Second Supplemental Trust Agreement are inserted for convenience only and are not a part hereof.

Section 14.06. Covenants to Bind Successors. All the covenants, stipulations, promises and agreements in this Second Supplemental Trust Agreement contained made by or on behalf of IDA or for the Trustee shall inure to and bind their respective successors and assigns.

IN WITNESS WHEREOF, the Industrial Development Authority of the County of Prince William, Virginia, has caused this Second Supplemental Trust Agreement to be executed by its Chairman and its official seal to be impressed hereon and attested by its Secretary/Treasurer, and U.S. Bank National Association has caused this Second Supplemental Trust Agreement to be executed in its behalf by an authorized officer, all as of the day and year first above written.

**INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF
PRINCE WILLIAM**

By _____
Chairman

[SEAL]

Attest:

Secretary/Treasurer

**U.S. BANK NATIONAL ASSOCIATION,
Trustee**

By _____
Name:
Title:

Attachment B

INSTALLMENT PURCHASE CONTRACT

between

**INDUSTRIAL DEVELOPMENT AUTHORITY OF THE
COUNTY OF PRINCE WILLIAM, VIRGINIA**

Seller,

and

PRINCE WILLIAM BOARD OF COUNTY SUPERVISORS

Purchaser,

relating to

**PRINCE WILLIAM COUNTY
COUNTY FACILITIES PROJECTS**

Dated as of October 1, 2020

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THIS INSTALLMENT PURCHASE CONTRACT, dated as of October 1, 2020 (“Contract”), is by and between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE WILLIAM, VIRGINIA**, a political subdivision of the Commonwealth of Virginia having its principal office at Manassas, Virginia (“IDA”), and the **PRINCE WILLIAM BOARD OF COUNTY SUPERVISORS**, a political subdivision of the Commonwealth of Virginia having its principal office at 1 County Complex Court, Prince William, Virginia 22192 (the “County”).

RECITALS:

In furtherance of the public purposes identified its Enabling Act and for the particular purpose of assisting the County to plan, develop, acquire, construct, improve, renovate and equip facilities for the benefit of the County, IDA has entered into a Master Trust Agreement (the “Master Trust Agreement”), dated as of April 1, 2016, with U.S. Bank National Association, as Trustee (the “Trustee”), pursuant to which IDA has authorized and may issue from time to time its Prince William County Facilities Revenue Bonds in one or more series for the purpose of financing all or any portion of the cost of facilities for the County; provided that, among other things, the County shall have first entered into a Payment Agreement with IDA by the express terms of which the County is absolutely and unconditionally obligated to make payments to the Trustee for the account of IDA at times and in amounts sufficient for IDA to make timely payment of debt service on the Bonds, contingent upon the appropriation for each fiscal year by the Board of County Supervisors of the County for such purpose.

IDA and the County have agreed that the construction of the Phase 2 expansion of the Adult Detention Center (the “ADC Project”), a new Animal Shelter (the “Animal Shelter Project”) and the Mid-County Fire Station 22 (the “Fire Station Project” and collectively with the ADC Project and the Animal Shelter Project, the “2020 Projects” and refinancing of certain outstanding Park Facilities County Contribution Revenue Bonds, Series 2010 (the “2010 Park Bonds”), issued by the Prince William County Park Authority (which has since been consolidated with the County) issued to refinance certain park facilities (the “2010 Projects” and together with the 2020 Projects, the “Projects”) and the related properties are worthy undertakings serving public purposes for the citizens of the County.

In furtherance of these public purposes and simultaneously with the execution and delivery of this Contract and the Master Trust Agreement, IDA has entered into a Second Supplemental Trust Agreement, dated as of October 1, 2020, with the Trustee, pursuant to which IDA will issue its \$_____ Prince William County Facilities Revenue and Refunding Bonds Series 2020A (County Facilities Projects) (the “2020A Bonds”) for the purpose of financing the Projects and the refunding of the 2010 Park Bonds.

Under this Contract, IDA will agree to make available to the County the proceeds of the 2020A Bonds for the improvement of the 2020 Projects and the refunding of the 2010 Park Bonds and to sell its interests in the Projects to the County in consideration of the County’s undertaking responsibility for the 2020 Projects, the 2010 Projects and its agreement to pay a

purchase price for the Projects, and interest thereon, sufficient for IDA to pay timely the debt service on the 2020A Bonds.

It is the intention of the parties that this Contract meet all the requirements of a “Payment Agreement” under the Master Trust Agreement.

ARTICLE I.

DEFINITIONS AND INTERPRETATION

SECTION 1.01. Definitions. In addition and exception to the terms defined above, the terms defined in this Article 1, for all purposes of this Contract and all agreements supplemental hereto, shall have the meaning specified below.

“**ADC Building**” shall mean, collectively, the buildings comprising phase two of the expansion of the County’s Adult Detention Center to be constructed on the ADC Property, as the same may be improved as part of the ADC Project.

“**ADC Project**” shall mean phase two of the expansion of the County’s Adult Detention Center financed with a portion of the proceeds of the 2020A Bonds.

“**ADC Property**” shall mean the land and all improvements, comprising the site of the ADC Project located at 9320 Lee Avenue, Manassas, Virginia.

“**Additional Contract Payments**” shall have the meaning set forth in Section 4.01(b).

“**Allocated Bonds**” shall mean those 2020A Bonds allocated by the County, in a certificate of a County Representative delivered to the Trustee, to the ADC Property, the Animal Shelter Property, the Fire Station Property or the 2010 Properties, as the case may be, in an event referred to in Section 5.01(c) or (e)(3) hereof.

“**Animal Shelter Building**” shall mean the animal shelter building to be constructed on the Animal Shelter Property, as the same may be improved as part of the Animal Shelter Project.

“**Animal Shelter Project**” shall mean a new animal shelter at Independent Hill on Dumfries Road in the County financed with a portion of the proceeds of the 2020A Bonds.

“**Animal Shelter Property**” shall mean the land and all improvements, comprising the site of the new Animal Shelter Project located at Independent Hill on Dumfries Road in the County.

“**Basic Contract Payments**” shall have the meaning set forth in Section 4.01(a).

“**Bonds**” shall mean the 2020A Bonds and any additional revenue bonds issued by IDA in accordance with the Trust Agreement to provide additional funds for the Cost of the Projects or to refund Bonds issued and outstanding under the terms of the Trust Agreement. “Bonds” as used in this Contract shall not include “Bonds” as defined in the Master Trust Agreement that are not payable from Contract Payments under this Contract.

“Buildings” shall mean collectively the ADC Building, the Animal Shelter Building, the Fire Station Building, and any and all buildings on the 2010 Properties.

“Contract” shall mean this Installment Purchase Contract as the same may be supplemented and amended in accordance with the provisions hereof and the Trust Agreement.

“Contract Payments” shall mean the amounts, designated as Basic Contract Payments and Additional Contract Payments, payable by the County to or for the account of IDA pursuant to this Contract.

“Cost” shall have the meaning set forth in Section 403 of the Master Trust Agreement.

“County Executive” shall mean the chief administrative officer of the County at the time being.

“County Representative” means each of the persons at the time designated to act on behalf of the County by written certificate furnished to the Trustee containing the specimen signature of such persons and signed on behalf of the County by an authorized officer of the County.

“Default” shall mean any condition or event that constitutes or would, after notice or lapse of time, or both, constitute an Event of Default.

“Due Date” shall mean the last date on which payment is due without penalty, premium or interest.

“Effective Date” shall mean the date of delivery of the 2020A Bonds.

“Enabling Act” shall mean the Industrial Development and Revenue Bond Act, Title 15.2 Chapter 49 of the Code of Virginia, as amended, and other applicable law.

“Event of Default” shall have the meaning set forth in Section 12.01.

“Event of Non-Appropriation” shall have the meaning set forth in Section 12.03.

“Fire Station Building” shall mean the fire station building to be constructed on the Fire Station Property, as the same may be improved as part of the Fire Station Project.

“Fire Station Project” shall mean the construction of Groveton Station (#22), a Fire and Rescue station to be located at 7500 Century Park Drive financed with a portion of the proceeds of the 2020A Bonds.

“Fire Station Property” shall mean the land and all improvements, comprising the site of the Fire Station Project located at 7500 Century Park Drive in the west end of the County.

“Interest” shall mean interest on the Purchase Price of the Projects. Such interest shall include interest at the same rates payable on the same dates as the interest payable by IDA on the Bonds.

“Late Charge Rate” shall mean the true interest cost rates on the Bonds.

“Master Trust Agreement” shall mean the Master Trust Agreement, dated as of April 1, 2016, as generally amended and supplemented from time to time, including by the Second Supplemental Trust Agreement, dated as of October 1, 2020, and by any Supplemental Trust Agreement entered into in connection with the issuance of additional Bonds, each between IDA and the Trustee. “Master Trust Agreement” shall also include Supplemental Trust Agreements, as supplemented and amended, each between IDA and the Trustee, entered into in connection with the issuance of additional or refunding bonds under the Master Trust Agreement that are not related to this Contract or the Properties.

“Net Proceeds” when used with respect to any insurance or condemnation award, shall mean the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after the payment of all out-of-pocket expenses of the parties to this Contract incurred in the collection of such gross proceeds.

“Notice” shall have the meaning and must be given in the manner set forth in Article XIII.

“Payment of the Allocated Bonds” shall mean payment of the principal of and interest on all the Allocated Bonds in accordance with their terms, whether through payment at maturity or purchase and cancellation or redemption or provision for such payment in such a manner that the Bonds shall be deemed to have been paid under Section 1301 of the Trust Agreement.

“Payment of the Bonds” means payment of the principal of and interest on all the Bonds in accordance with their terms, whether through payment at maturity or purchase and cancellation or redemption or provision for such payment in such a manner that the Bonds shall be deemed to have been paid under Sections 1301 of the Trust Agreement.

“Permitted Encumbrances” shall have the meaning set forth in Exhibit B.

“Projects” shall mean collectively the ADC Project, the Animal Shelter Project, the Fire Station Project and the 2010 Projects.

“Properties” shall mean collectively the ADC Property, the Animal Shelter Property, the Fire Station Property and the 2010 Properties.

“Purchase Price” shall mean an amount equal to the principal amount of the 2020A Bonds and any additional Bonds.

“Second Supplemental Trust Agreement” shall mean the Second Supplemental Trust Agreement, dated as of October 1, 2020, between IDA and the Trustee, as the same may be supplemented and amended as permitted thereby.

“State” shall mean the Commonwealth of Virginia.

“Supplemental Trust Agreement” shall mean any amendment or supplement to the Master Trust Agreement permitted thereby, including the Second Supplemental Trust Agreement.

“Term” shall mean the period of time commencing on the Effective Date and ending upon the Payment of the Bonds.

“Termination of this Contract” shall mean the expiration and any sooner termination of this Contract pursuant to any of the provisions of this Contract.

“Trust Agreement” shall mean the Master Trust Agreement as generally amended and supplemented from time to time, including by the Second Supplemental Trust Agreement. “Trust Agreement” shall not include Supplemental Trust Agreements entered into in connection with the issuance of additional or refunding bonds under the Master Trust Agreement that are not related to this Contract or the Properties.

“Trustee” shall mean the trustee at the time being under the Master Trust Agreement and all Supplemental Trust Agreements. U.S. Bank National Association is the Trustee under the Master Trust Agreement and the Second Supplemental Trust Agreement.

“2016A Bonds” shall mean IDA’s \$26,290,000 Prince William County Facilities Revenue and Refunding Bonds Series 2016A (County Facilities Projects).

“2020 Projects” shall mean the ADC Project, the Animal Shelter Project and the Fire Station Project.

“2020A Bonds” shall mean IDA’s \$_____ Prince William County Facilities Revenue and Refunding Bonds Series 2020A (County Facilities Projects).

“2010 Park Bonds” shall mean those certain outstanding Park Facilities County Contribution Revenue Bonds, Series 2010 issued by the Prince William County Park Authority to be refunded by a portion of the 2020A Bonds

“2010 Projects” shall mean the General’s Ridge Golf Course and the Splash/Down Water Park financed or refinanced with the proceeds of the 2010 Park Bonds.

“2010 Properties” shall mean the land and all improvements, comprising the sites of the 2010 Projects located at 9701 Manassas Drive, Manassas Park, Virginia, and 7500 Ben Lomond Park Drive, Manassas, Virginia.

SECTION 1.02. Interpretation.

(a) **References Hereto.** The terms “hereby,” “hereof,” “herein,” “hereunder” and any similar terms, refer to this Contract.

(b) **Gender and Plurality.** Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(c) **Examples.** The use of the term “including” or “include” or of examples generally, shall mean without limitation to the specific examples provided.

(d) **Person; Owner.** Unless the context shall otherwise indicate, “person” shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof, and “owner” when used herein with respect to Bonds shall mean the registered owner of Bonds at the time issued and outstanding under the Trust Agreement.

(e) **Redemption.** Words importing the redemption or calling for redemption of the Bonds shall not be deemed to refer to or connote the payment of Bonds at their stated maturity.

(f) **Captions.** The captions or headings in this Contract are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Contract.

(g) **Articles; Sections.** All references herein to particular articles or sections are references to articles or sections of this Contract unless some other reference is established.

(h) **Table of Contents.** The Table of Contents is for the purpose of convenience of reference only and is not to be deemed or construed in any way as part of this Contract or as supplemental thereto or amendatory thereof.

(i) **Trust Agreement Controls.** Any inconsistency between the provisions of this Contract and the provisions of the Trust Agreement shall be resolved in favor of the provisions of the Trust Agreement.

ARTICLE II.

ISSUANCE OF BONDS; COST OF THE PROJECTS

SECTION 2.01. **Agreement to Issue the 2020A Bonds.** At the request of the County, IDA agrees that it will use its best efforts to issue, sell and deliver to the purchasers thereof at one time or from time to time (i) the 2020A Bonds pursuant to Section 208 of the Trust Agreement for the purpose of paying the Cost of the 2020 Projects, (ii) the 2020A Bonds to finance the acquisition of the 2010 Projects and the refunding of the 2010 Park Bonds, (iii) additional Bonds pursuant to Section 208 of the Trust Agreement for the purpose of paying all or any portion of the Cost of any 2020 Project in excess of the funds available for the purpose from the proceeds of the 2020A Bonds or (iv) refunding Bonds pursuant to Section 209 of the Trust Agreement for the purpose of refunding any 2020A Bonds or additional Bonds issued under (iii) above or a combination of such purposes. The proceeds of the 2020A Bonds shall be delivered to the Trustee for application in accordance with the Trust Agreement and the Second Supplemental Trust Agreement.

SECTION 2.02. **Disbursements from Construction Subfund.** IDA and the County hereby agree that the money in the Construction Subfund under the Trust Agreement shall be applied to the payment of the Cost of the Projects, and otherwise as provided in accordance with

Article IV of the Trust Agreement, and, pending such disbursement, such money shall be invested and reinvested in accordance with Article VI of the Trust Agreement.

SECTION 2.03. No Sufficiency Warranty by IDA; Limited Liability of County. IDA DOES NOT MAKE ANY WARRANTY, EITHER EXPRESS OR IMPLIED, THAT THE MONEY THAT WILL BE PAID INTO THE CONSTRUCTION SUBFUND OR ANY ACCOUNT THEREIN WILL BE SUFFICIENT TO PAY THE COST OF THE PROJECTS. The obligation of the County under this Contract to pay the Cost of the Projects will be limited to the proceeds of the 2020A Bonds and any additional Bonds described in Section 2.01 above deposited to the credit of the 2020A Projects Account, the investment earnings thereon and any other investment earnings on the funds and accounts held by the Trustee under the Trust Agreement and transferred to the 2020A Projects Account in the Construction Subfund. The County agrees, however, that if, after exhaustion of the money in the Construction Subfund, the County should pay or cause to be paid any portion of the Cost of the Projects, it shall not be entitled to any reimbursement therefor from IDA or from the Trustee (other than from the proceeds of additional Bonds issued under and in accordance with the provisions of the Trust Agreement and Section 2.01 above), or diminution or postponement of the payments to be made pursuant to Article 4 of this Contract.

SECTION 2.04. Third Party Beneficiaries. Except as provided by Section 10.06 with respect to the Trustee and the owners of the Bonds and except as provided in Section 14.04 with respect to individual and corporate rights to exemption from liability, it is not the intention of the parties to constitute any other person a beneficiary of this Contract or any of its provisions.

ARTICLE III.

SALE OF THE PROJECTS

In consideration of the mutual promises contained herein, the sum of Ten Dollars (\$10) paid by the County to IDA and the net proceeds of the 2020A Bonds paid to the bond registrar under the Trust Agreement for the account of IDA, receipt of which is hereby acknowledged, IDA hereby sells to the County, and the County hereby purchases from IDA, on the Effective Date the Projects as they exist at such time, situate, lying and being in the County of Prince William, Virginia,

SUBJECT to the Permitted Encumbrances specified in Exhibit B.

ARTICLE IV.

PAYMENTS

SECTION 4.01. Payments.

(a) Basic Contract Payments. (i) The County shall be obligated to pay to IDA the Purchase Price in installments, with Interest thereon, in accordance with the provisions of this Contract. The Purchase Price and the Interest thereon shall be paid as Basic Contract Payments in the respective amounts, on or before their respective Due Dates, shown in Schedule 1.

(ii) The County may, at its option, prepay the Purchase Price, in whole or in part, on any Due Date on not less than thirty (30) days' written notice to IDA, accompanied by a specific direction to IDA to apply such prepayment to the purchase and cancellation, redemption or defeasance of the Bonds in accordance with their terms. IDA shall comply, or provide in the Trust Agreement securing the Bonds for compliance, with such directions. Upon such purchase and cancellation, redemption or defeasance, IDA shall credit the principal amount of the Bonds so cancelled, redeemed or defeased against the Purchase Price and reduce the Basic Contract Payments otherwise payable in accordance with Schedule 1 by an amount equal to the sum of (X) the principal amount of the Bonds so purchased and cancelled, redeemed or defeased, (Y) the interest on the Bonds so purchased and cancelled, redeemed or defeased and as a result of such prepayment and (Z) the interest that would have accrued on such Bonds so redeemed or defeased but for such prepayment and redemption or defeasance. IDA and the County shall revise Schedule 1 appropriately to reflect such reductions in Basic Contract Payments.

(iii) IDA shall credit appropriately against the Purchase Price and Interest, and reduce the Basic Contract Payments otherwise payable on each Due Date, by the amount of any investment income (X) realized from the investment and reinvestment of Bond proceeds and Basic Contract Payments or other amounts or reserves derived from Bond proceeds or Basic Contract Payments and set aside or pledged to the Bonds and (Y) applied, or to be applied, to the payment of principal or interest and any redemption premiums on Bonds.

(iv) IDA shall also credit appropriately against the Purchase Price and Interest and reduce the Basic Contract Payments by, in accordance with any directive by the County consistent with the terms of this Contract, amounts described by the provisions of this Contract, including without limitation, Sections 5.01(c), (d), and (e)(5) and 12.04.

(b) Additional Contract Payments. The County shall also pay to or for the account of IDA as Additional Contract Payments for the Projects all other amounts (other than Basic Contract Payments) payable by the County to IDA under this Contract, including, without limitation, any amounts due to IDA under Section 4.02.

All Additional Contract Payments shall be payable in accordance with the provisions of applicable Sections of this Contract.

SECTION 4.02. Expenses. The County will pay as Additional Contract Payments:

(1) all reasonable fees and expenses of the Trustee and, to the extent permitted by law, the costs and expenses of holding the Trustee harmless, to the extent permitted by law, against any loss, liability or expense (including the costs and expenses of defending against any claim of liability) incurred without negligence or willful misconduct by the Trustee and arising out of or in connection with its acting as Trustee under the Trust Agreement;

(2) all reasonable fees and expenses of the bond registrar, any depository and any paying agent appointed under the Trust Agreement; and

(3) all reasonable expenses of IDA allocable to this Contract and the Bonds, including, without limitation, the reasonable fees and expenses of its counsel in connection with the financing of the Cost of the 2020 Projects, the refunding of the 2010 Park Bonds, the preparation of this Contract and the Trust Agreement, any expenses payable by IDA under the Trust Agreement allocable to the Bonds, and not otherwise payable by the County under this Contract, and, to the extent permitted by law, the costs and expenses of holding IDA harmless, to the extent permitted by law against any loss, liability or expense (including the costs and expenses of defending against any claim of liability) incurred without negligence or willful misconduct by IDA and arising out of or in connection with this Contract or the Bonds or the Trust Agreement.

SECTION 4.03. Form of Payment. All Contract Payments payable to or for the account of IDA pursuant to this Contract shall be paid to or for the account of IDA in funds that shall be available in cash for payment or investment on the respective Due Dates of such Contract Payments.

SECTION 4.04. Net Contract. The County shall pay to IDA all Contract Payments payable to IDA free of any abatement, charges, counterclaims, assessments, set-offs, offsets, impositions or deductions of any kind whatsoever except as otherwise expressly provided in Section 4.01(a), and under no circumstances or conditions shall IDA be expected or required to make any payment of any kind with respect to the Properties or be under any obligation or liability hereunder, except as provided in this Contract and the Trust Agreement. In addition, and not in limitation of the foregoing, but subject to the provisions of Section 5.01, as between the County and IDA, the County shall be responsible for payment for all costs of operating, maintaining and repairing the Properties, including the costs and expenses for sewer, water, gas, electric, telephone, fuel and other utilities used or consumed in or at the Properties.

SECTION 4.05. Late Charges. Unless otherwise expressly provided to the contrary herein, in the event that payment of any Basic Contract Payment required to be paid hereunder shall become overdue for one business day beyond the date on which it is due and payable as provided in Section 4.01(a), the sums so overdue shall be payable with interest at the Late Charge Rate (computed on a 360-day year) from the date on which payment was originally due to the date until such sum is paid in full. No grace period or notice requirement shall be applicable to the preceding sentence or the application of interest therein and no failure by IDA to insist upon the strict performance by the County of the County's obligations to pay any late charge shall constitute a waiver by IDA of its right to collect the same or to enforce the

provisions of this Article in any instance thereafter occurring. The provisions of this Section 4.05 shall not be construed in any way to extend the grace periods or notice periods provided in Article XIII hereof or otherwise provided in this Contract.

SECTION 4.06. Obligations of County Subject to Appropriation. The obligations of the County to make Contract Payments under this Contract are contingent upon the appropriation for each fiscal year by the Board of County Supervisors of the County of funds from which such Contract Payments can be made. The County shall not be liable for any amounts that may be payable pursuant to this Contract unless and until such funds have been so appropriated for payment and then only to the extent thereof. It is understood and agreed by the parties hereto that nothing in this Contract shall be deemed to obligate the Board of County Supervisors of the County to appropriate any sums on account of any Contract Payments to be made by the County hereunder. This Contract shall not constitute a pledge of the full faith and credit of the County or a bond or debt of the County in violation of Section 10 of Article VII of the Constitution of the Commonwealth of Virginia.

SECTION 4.07. County Budget. The County Executive shall include as a separate line item in each annual budget of revenues and disbursements presented to the Board of County Supervisors an item designated "County Services Facilities Projects Payments" in an amount not less than an amount sufficient, in the judgment of the County Executive, to make the Contract Payments scheduled to become due, and pay all other amounts payable by the County, pursuant to this Contract during such fiscal year. Alternatively, the County Executive may include as a single line item in each annual budget of revenues and disbursements presented to the Board of County Supervisors an item designated "Basic and Additional Payments – Master Trust Agreement" in an amount not less than an amount sufficient, in the judgment of the County Executive, to make all payments scheduled to become due, and pay all other amounts payable by the County, pursuant to this Contract and all other payment agreements referred to in the Master Trust Agreement during such fiscal year.

ARTICLE V.

REPAIRS

SECTION 5.01. County's Obligation to Maintain and Repair Properties.

(a) Maintenance and Repairs. Except as otherwise provided in this Section 5.01, as between the County and IDA, the County, at its sole cost and expense, throughout the Term, shall keep and maintain the Properties in good and safe order and condition in accordance with industry standards, including without limiting the generality of the foregoing, the roofs, all railings and gutters, water, sewer and gas connections on or adjacent to or directly or indirectly servicing the Properties, pipes and mains on or adjacent to or directly or indirectly servicing the Properties and all other fixtures, machinery and equipment and shall make all repairs thereto, therein and thereon, interior and exterior, necessary to keep the same in good and safe order and condition, howsoever the necessity or desirability therefor may occur, and whether necessitated by wear and tear or otherwise; provided, however, that the County's obligations with respect to restoration resulting from a casualty shall be as provided in this Section 5.01 and Section 5.02 hereof. The County shall not commit or suffer, and shall use all reasonable precaution to prevent, waste, damage, or injury to the Properties. When used in this Section 5.01 the terms "repairs" and "restoration" shall include all required replacements, additions and alterations. This Section 5.01 shall no longer apply to any Property for which no Allocable Bonds remain Outstanding.

(b) County to Repair Damage. In the event the Properties or any portion thereof are damaged or destroyed by fire, flood or other casualty, the County shall, except as otherwise provided in subsection (c), proceed forthwith to repair, reconstruct and restore the damaged Properties as and to the extent the County shall deem appropriate under the circumstances and will apply the Net Proceeds of any insurance relating to such damage or destruction received by the County to the payment or reimbursement of the costs of such repair, reconstruction and restoration.

Net Proceeds of any insurance relating to such damage or destruction shall be paid directly to the County for disbursement or use, and the County shall apply such Net Proceeds received solely to, and shall complete, to the extent the County shall deem appropriate, the repair, reconstruction and restoration of the Properties, whether or not the Net Proceeds of insurance received by the County for such purposes are sufficient to pay for the same.

(c) Circumstances Under Which County May Not Repair Damage. In the event that the Properties or any portion thereof are destroyed by fire or other casualty, the County may within 90 days after such damage or destruction, elect by written notice to IDA not to repair, reconstruct or restore the Properties, provided that the Net Proceeds of insurance payable as a result of such damage or destruction together with other money held for the payment of or as security for the Bonds and any additional sums paid by the County are sufficient to provide for Payment of the Bonds. In such event the County shall, in its notice of election to IDA, state that such Net Proceeds and other money, if any, shall be applied to defease the lien of the Second Supplemental Trust Agreement with respect to the Allocated Bonds in accordance with its terms and such Net Proceeds shall be paid to IDA for the purpose of such defeasance. Alternatively, if

the County shall determine that the destruction is limited to a Property, it shall constitute compliance with the provisions of this subsection (c) if the Net Proceeds of insurance payable as a result of such damage or destruction together with other money held for the payment of or as security for the Bonds and any additional sums paid by the County are sufficient to provide for Payment of the Allocated Bonds, as applicable and shall be so applied.

(d) Surplus Net Proceeds of Insurance. Upon completion of the repair, reconstruction and restoration pursuant to subsection (b), any excess money from the Net Proceeds of insurance over and above the costs of such repair, reconstruction and restoration shall be paid by the County to IDA and shall be applied as a credit to Basic Contract Payments becoming due thereafter as designated in writing by the County. In the event that all the Bonds are defeased pursuant to subsection (c), any remaining Net Proceeds shall be paid to or retained by the County.

(e) Condemnation.

(1) In the event that the Properties or any portion thereof are condemned or taken for any public or quasi-public use and title thereto vests in the party condemning or taking the same, the County shall determine in writing whether the Properties can be repaired, reconstructed and restored to such an extent that the utility of the Buildings, or any of them, can be largely maintained, restored or replaced and shall furnish copies of such determination to IDA.

(2) If the County shall determine in accordance with paragraph (1) of this subsection that the utility of the Buildings, can be maintained, restored or replaced following such taking, the Net Proceeds resulting from such taking shall be paid directly to the County and applied as hereinafter provided in this paragraph. The County agrees that, to the extent permitted by law, it will forthwith repair, reconstruct and restore the Properties, as nearly as shall be practicable, to substantially the same or an improved condition or utility as existed prior to the taking and will to the extent necessary apply the Net Proceeds of any condemnation award relating to such condemnation received by the County to the payment or reimbursement of the costs of such repair, reconstruction and restoration. It is further understood and agreed that, if the County shall determine that the Properties can be repaired, reconstructed and restored to such an extent that utility of the Buildings, or either of them, can be largely maintained, restored or replaced, the County shall complete the repair, reconstruction and restoration of the Properties, whether or not the Net Proceeds of the condemnation award received by the County for such purposes are sufficient to pay for the same.

(3) If the County shall determine in accordance with paragraph (1) of this subsection that the utility of the Buildings cannot be maintained, restored or replaced following such taking, the Net Proceeds payable as a result of such taking shall be paid for the account of IDA to the Trustee and the County shall pay to the Trustee for the account of IDA such additional amount as shall be required, together with such Net Proceeds and all amounts held under the Trust Agreement and available for the purpose, for the Payment of the Bonds. Alternatively, if the County shall determine that the taking is limited to a Property it shall constitute compliance with the provisions of this paragraph (e)(3) if the Net Proceeds payable as a result of such taking together with other money held for the payment of or as security for the Bonds issued to finance

the Projects and any additional sums paid by the County are sufficient to provide for Payment of the Allocated Bonds, as applicable and shall be so applied.

(4) IDA shall cooperate with the County in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Properties or any part thereof.

(5) Any excess money from the Net Proceeds of a taking over and above the costs of repair, reconstruction and restoration prosecuted to completion in accordance with paragraph (2) of this subsection shall be paid by the County to IDA and applied as a credit against the Purchase Price and reduce the Basic Contract Payments becoming due thereafter as designated in writing by the County. In the event of Payment of the Bonds in accordance with paragraph (3) of this subsection, any remaining Net Proceeds shall be retained by or paid to the County.

SECTION 5.02. County's Assumption of the Maintenance and Management of the Properties. IDA shall have no duty or obligation to make any alteration, change, improvement, replacement, restoration or repair to, or to demolish, the whole or any part of the Properties. Except as otherwise provided in Section 5.01 hereof, as between the County and IDA, the County assumes the full and sole responsibility for the condition, operation, repair, alteration, improvement, replacement, maintenance and management of the Properties.

ARTICLE VI.

INSURANCE

The County shall procure and pay the requisite premiums for, and maintain during the Term of this Contract, the insurance described in Schedule 2 of this Contract. Such insurance shall be placed in effect on the Effective Date. The insurance policies required by this Contract and described in Schedule 2 shall name the Trustee as an additional named insured and shall provide that the policies shall not be changed or terminated without forty-five (45) days prior written notice to the IDA and the Trustee. Nothing in this Contract shall prohibit the County from self-insuring against any one or more of the liabilities, perils or circumstances described in Schedule 2 if such insurance shall not be available on terms that, in the opinion of the Manager of the Risk Management Division of the Office of Finance of the County, are commercially reasonable. If the County self-insures against any one or more of the liabilities, perils or circumstances described in Schedule 2 it is understood that other parties cannot be named as an additional named insureds.

ARTICLE VII.

TITLE; LIENS

SECTION 7.01. Title. As between the County and IDA, fee title to the Projects shall vest in the County on the Effective Date in accordance with the provisions of Article III.

SECTION 7.02. No Impairment of IDA's Interests. Except for Permitted Encumbrances, the County shall not create or cause or, due to the County's negligence or willful misconduct, suffer to be created, and shall cause its transferees to covenant not to create or suffer

to be created, any lien, encumbrance or charge upon this Contract, the Properties, or any part of any of them, or IDA's income derived from this Contract.

SECTION 7.03. County to Pay or Contest, Taxes, etc. Notwithstanding the provisions of Section 7.02 hereof, the County shall not be required to pay any tax, levy, charge, fee, rate, assessment or imposition to remove any lien described in Section 7.02, pay or otherwise satisfy and discharge its obligations, demands and claims against it or to comply with any lien, law, ordinance, rule, order, decree, decision, regulation or requirement so long as the County shall contest, in good faith and at its cost and expense, in its own name and behalf, the amount or validity thereof, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the tax, levy, charge, fee, rate, assessment, imposition, obligation, indebtedness, demand, claim or lien so contested, and the sale, forfeiture, or loss of the Properties or any part thereof, provided, that no such contest shall subject IDA to the risk of any liability. While any such matters are pending, the County shall not be required to pay, remove or cause to be discharged the tax, levy, charge, fee, rate, assessment, imposition, obligation, indebtedness, demand, claim or lien being contested unless the County agrees to settle such contest. Each such contest shall be promptly prosecuted to final conclusion (subject to the right of the County to settle such contest), and in any event the County, to the extent permitted by law, will save IDA harmless from and against all losses, judgments, decrees and costs (including attorneys' fees and expenses in connection therewith) as a result of such contest and will, promptly after the final determination of such contest or settlement thereof, pay and discharge the amounts which shall be levied, assessed or imposed or determined to be payable therein, together with all penalties, fines, interests, costs and expenses thereon or incurred in connection therewith.

ARTICLE VIII.

REPRESENTATIONS

SECTION 8.01. County Representations.

(a) Projects. As between IDA and the County, the County represents that the County is fully familiar with the Projects and the physical conditions thereof and the status of title thereto.

Except as expressly provided in this Contract, the County warrants that no representations, statements or warranties, express or implied, have been made by or on behalf of IDA in respect of the Projects including the physical condition thereof, the status of title to the Properties, the availability of utilities or other infrastructure thereon or any facts, conditions, laws, regulations, rules or orders applicable thereto, now or in the future affecting the Properties, or the use that may be made of the Properties, and that the County has relied on no such representations, statements or warranties, and that IDA shall in no event whatsoever be liable for any latent or patent defects in the Projects or the Properties.

(b) Tax Representations.

(1) Except as permitted in this Section, the County represents that it shall not use, or permit the use of, any portion of the Properties by any person or entity for any private business use, other than a state or local governmental unit. For purposes of this subsection, the term “use” shall include the transfer of title or lease of all or any portion of a Property, or operation of or the provision of services with respect to all or any portion of a Property, or any contract for the management or operation of the a Property that does not conform to the guidelines set forth in Revenue Procedure 2017-13, as amended, or in Revenue Procedure 97-13, as amended (each to the extent applicable), as such guidelines may be modified by the Internal Revenue Code of 1986, as amended (the “Code”), and regulations and procedures adopted pursuant thereto, or any contract or other arrangement permitting the use of all or any portion of a Property on a basis other than as a member of the general public.

(2) The County may use, or permit the use of, any portion of a Property by any person or entity that is not a state or local governmental unit or other “exempt person” as defined in the Code for any private business use, provided, that (i) the County shall not more than sixty (60) nor less thirty (30) days prior to the effective date of such proposed use, furnish or cause to be furnished to IDA a written description of the nature, scope and duration of such proposed use, the person or entity to be engaged in such proposed use and a copy of the proposed agreement between the County, or any transferee of the County, and such person or entity establishing the terms and conditions of such proposed use, and (ii) an attorney at law or a firm of attorneys, designated by IDA, of nationally recognized standing in matters pertaining to the exclusion of interest on bonds issued by states and their political subdivisions from gross income for federal income tax purposes, shall, on or prior to the effective date of such proposed use, have delivered to IDA an opinion, reasonably satisfactory in form and substance to IDA, to the effect that such proposed use will not adversely affect the exclusion of interest on the 2016A Bonds from gross income for federal income tax purposes.

SECTION 8.02. Representations re Authorization. IDA and the County each represent to the other that it has full power and authority to enter into this Contract, and that when executed and delivered by it, this Contract shall have been duly authorized by all necessary corporate action and all necessary consents obtained and that this Contract shall be a valid and binding obligation.

ARTICLE IX.

IDA NOT LIABLE FOR INJURY OR DAMAGE, ETC.

SECTION 9.01. No Liability of IDA for Injury. To the fullest extent permitted by law, IDA shall not be liable for any injury or damage to any property or any person, happening on, in or about the Properties and its appurtenances, nor for any injury or damage to the Properties or to any property belonging to the County or any other person which may be caused by any fire, breakage or other event, or by the use, misuse or abuse of the Properties or area adjacent thereto (including, but not limited to, the common and public facilities, elevators, hatches, openings,

installations, stairways or hallways, on or within the Properties) or which may arise from any other cause whatsoever, unless caused by the gross negligence or an intentional act of IDA in its or its agents or employees in their capacities as agents or employees.

SECTION 9.02. No Liability of IDA for Utility Failure, Weather, Leaks, Etc. IDA shall not be liable for any failure of water supply, gas or electric current, nor for any injury or damage to any property or person or to the Properties caused by or resulting from gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or other storms or disturbances, leakage of gasoline or oil from pipes, appliances, sewer or plumbing works, or from any other place.

ARTICLE X.

SPECIAL COVENANTS; COUNTY OPTIONS

SECTION 10.01. Power to Contract. IDA covenants that it has the right to make this Contract for the Term. The County may seek to enforce its rights under this Contract by any appropriate remedial action at law or in equity.

SECTION 10.02. IDA Right of Access. The County agrees that IDA, the Trustee and their or either of their duly authorized agents shall have the right, at all reasonable times with reasonable prior notice and subject to the rights of subtenant's under their respective subleases, to enter upon the Properties and to examine and inspect the Projects.

SECTION 10.03. Release of Portions of the Properties. (a) Notwithstanding any other provisions of this Contract, the parties hereto reserve the right at any time and from time to time to amend this Contract for the purpose of effecting the release and removal from the provisions of this Contract of any part of any Property with respect to which the County or a transferee of the County proposes to convey fee title to a public utility or public body in order that utility services or roads or other services may be provided for such Property or any portion thereof; provided, that if at the time any such amendment is made, any of the Bonds is outstanding and unpaid there shall be deposited with the Trustee the following:

- (1) A copy of the amendment or easement as executed;
- (2) A resolution of the Board of County Supervisors of the County (i) stating that the County is not in default under any of the provisions of the Trust Agreement and IDA is not to the knowledge of the County in default under any of the provisions of this Contract, (ii) giving an adequate legal description of that portion of such Property to be released, and (iii) stating the purpose for which the County desires the release;
- (3) A certificate showing that IDA has approved such amendment and stating that IDA is not in default under any of the provisions of this Contract; and
- (4) A certificate of an appropriate County Representative, dated not more than sixty (60) days prior to the date of the release, stating that, in the opinion of the person signing such certificate, the release proposed to be made will not impair the usefulness of such Property as an adult detention facility, fire station facility, animal shelter facility or park facility, as appropriate

and in the case of the land that constitutes a portion of a Property will not destroy the means of ingress thereto and egress therefrom.

(b) Notwithstanding any other provisions of this Contract, the County may sell or otherwise dispose of its interest in any unimproved parts of the Properties (on which neither the Buildings or the utilities that serve them are located); provided, that if at the time any such sale or other disposition is proposed, all or any of the Bonds is outstanding and unpaid, there shall be deposited with the Trustee the following:

(1) The documents described in clauses (1), (2) and (3) above; and

(2) A certificate of an appropriate County Representative, dated not more than sixty (60) days prior to the date of the disposition, stating that, in the opinion of the person signing such certificate, the release proposed to be made will not impair the usefulness of any related Building as an adult detention facility, fire station facility, animal shelter facility or park facility, as applicable, and will not destroy the means of ingress thereto and egress therefrom.

SECTION 10.04. Granting of Easements. The County and its transferees may at any time or times (i) grant easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the Properties (collectively, “Easements”) or (ii) release existing Easements and with or without consideration and upon such terms and conditions as the County shall determine, and the County and any transferee may execute and deliver any instrument necessary or appropriate to confirm to grant or release any such Easement provided, however, that neither the County nor its transferees will effect any such grant or release that will materially adversely affect the usefulness of the ADC Property as a site for detention center facilities, the Animal Shelter Property as a site for animal shelter facilities, the Fire Station Property as a site for fire station facilities or any 2010 Property as a site for park facilities, as appropriate.

SECTION 10.05. Assignment, Leasing and Subleasing. Neither this Contract nor the rights and obligations of the County under this Contract shall be assigned in whole or in part without the consent of IDA. With IDA’s consent, this Contract may be assigned in whole or in part, and the Properties may be further conveyed, leased or subleased as a whole or in part, by the County subject, however, to each of the following conditions:

(1) No assignment, conveyance, lease or sublease shall relieve the County from primary liability for any of its obligations hereunder, and in the event of any such assignment, conveyance, lease or sublease, the County shall continue to remain primarily liable for payment of the Contract Payments specified in Article IV and for performance and observance of the other agreements on its part herein provided to be performed and observed by it; and

(2) The assignee, transferee, lessee or sublessee, if not an affiliate under the direct or indirect control of the County, shall assume the obligations of the County hereunder, arising from and after the effective date of such assignment, other than the County’s obligations under Article IV, to the extent of the interest assigned, conveyed, leased or subleased, and such assignment, lease or sublease shall be subject to all the terms and conditions of this Contract; and

(3) The County shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the IDA and to the Trustee a true and complete copy of each such assignment, conveyance, lease or sublease, as the case may be.

SECTION 10.06. Assignment of Contract by IDA. IDA shall assign its interest in and pledge all money receivable under this Contract, other than the Additional Contract Payments payable by the County under Section 4.01(b) and described in Section 4.02, to the Trustee pursuant to the Trust Agreement as security for payment of the principal of and the interest and any redemption premium, if any, on the Bonds. The County hereby consents to and acknowledges such assignment and consequently shall make all Basic Contract Payments and payments to be credited against Basic Contract Payments directly to the Trustee for the account of IDA.

SECTION 10.07. County Options to Terminate. The County may terminate the Term by paying to the Trustee, for the account of IDA, for deposit in the Debt Service Subfund under the Trust Agreement an amount that will be sufficient to purchase, redeem or defease all the outstanding Bonds in accordance with the provisions of Articles III, V and XIII of the Trust Agreement, and in case of redemption making arrangements satisfactory to the Trustee for the giving of the required notice of redemption.

ARTICLE XI.

USE AND MANAGEMENT OF PROPERTIES

SECTION 11.01. Permitted Use. The County shall use, or cause to be used, the Properties facilities for public purposes permitted by the Enabling Act. The County shall not use, or suffer any one else to use, the Properties for other than public purposes permitted by the Enabling Act. Except as permitted by Section 8.01(b), there shall be no occupation or use of the Properties by the County or anyone else for any purpose other than as authorized by this Section, without the written consent of IDA and counsel to IDA.

SECTION 11.02. No Illegal or Hazardous Use. The County shall not use or occupy, nor permit or suffer the Properties or any part thereof to be used or occupied for any unlawful or illegal business, use or purpose, or for any disreputable, dangerous, noxious or hazardous business, use or purpose, or in such manner as to constitute a nuisance of any kind (public or private) by reason of odors, fumes, dust, smoke, noise or other pollution, or for any purpose or in any way in violation of the certificate of occupancy or of any applicable rules or regulations, or which may make void or voidable any insurance then in force on the Properties. Upon the discovery of any such unlawful, illegal, disreputable or hazardous use, the County shall immediately take all necessary steps, legal and equitable, to compel the discontinuance of such use.

SECTION 11.03. Properties Management. Nothing in this Contract shall constrain the County and its transferees and their lessees and sublessees and licensees from contracting for management, cleaning, maintenance, food, professional instruction or other services for the Properties, or portions of them, and enter into an agreement or agreements therefor, subject to the provisions of Section 8.01(b).

ARTICLE XII.

EVENTS OF DEFAULT, CONDITIONAL LIMITATIONS, REMEDIES, ETC.

SECTION 12.01. Events of Default. Subject to the provisions of Section 12.03, each of the following events shall be an “Event of Default” hereunder:

(1) subject to the provisions of Section 12.03, if the County shall fail to make any Basic Contract Payment or any part thereof on the due date thereof and such failure shall continue for one business day; or

(2) subject to the provisions of Section 12.03, if the County shall fail (i) to maintain or cause to be maintained the insurance required by Article VI, or (ii) to make any Additional Contract Payment, or any other payment under this Contract, required to be paid by the County hereunder for a period, after notice thereof from IDA to the County, of forty-five (45) days; or

(3) subject to the provisions of Section 12.02, if the County shall fail to observe or perform one or more of the other material terms, conditions, covenants or agreements of this Contract or any representation, and such failure or misrepresentation shall continue for a period of ninety (90) days after written notice thereof by IDA to the County specifying such failure (unless such failure or misrepresentation requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature reasonably be performed, done or removed, as the case may be, within such ninety (90) day period, in which case no Event of Default shall be deemed to exist as long as the County shall have commenced curing the same within such ninety (90) day period and shall diligently and continuously prosecute the same to completion); or

(4) if the County shall admit, in writing, that it is unable to pay its debts as such become due or shall make an assignment for the benefit of creditors; or

(5) if the County shall file a voluntary petition in bankruptcy or the County shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the County or of all or any substantial part of the Properties or any interest of the County therein; or

(6) if within ninety (90) days after the commencement of any proceeding against the County seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, such proceeding shall not have been dismissed, or if, within ninety (90) days after the appointment, without the consent or acquiescence of the County, of any trustee, receiver or liquidator of the County or of all or any substantial part of the Properties or any interest of the County therein, such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within thirty (30) days after the expiration of any such stay, such appointment shall not have been vacated.

SECTION 12.02. Force Majeure. The foregoing provisions of Section 12.01(3) are subject to the following limitations: if by reason of Force Majeure, the County is unable in whole or in part to carry out any of its agreements herein contained, failure of the County to carry out any such agreements, shall not be deemed an Event of Default under Section 12.01(3) during the continuance of such inability, including a reasonable time for the removal of the effect thereof.

The term “Force Majeure” shall mean, without limitation, the following:

(1) acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies, political subdivisions or officials (other than the County), or any civil or military authority; war; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; droughts; floods; washouts; arrests; restraint of government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or

(2) any cause, circumstance or event not reasonably within the control of the County.

The County agrees, however, to use commercially reasonable efforts to remedy with all reasonable dispatch the Force Majeure preventing it from carrying out its agreements; provided, that the settlement of any disputes of any nature shall be entirely within the discretion of the County, and the County shall not be required to make settlement or any such disputes by acceding to the demands of the opposing party or parties when such course is, in the judgment of the County Attorney for the County, unfavorable to the County.

SECTION 12.03. Non-Appropriations. **ANYTHING TO THE CONTRARY NOTWITHSTANDING ELSEWHERE IN THIS CONTRACT, THE FAILURE OF THE COUNTY TO PAY ALL OR ANY PORTION OF ANY AMOUNT OTHERWISE DUE AND PAYABLE UNDER THIS CONTRACT TO OR FOR THE ACCOUNT OF IDA OR THE TRUSTEE ON ACCOUNT OF THE FAILURE OF THE BOARD OF COUNTY SUPERVISORS OF THE COUNTY TO APPROPRIATE SUCH SUM (AN “EVENT OF NON-APPROPRIATION”) SHALL NOT, TO THE EXTENT OF SUCH FAILURE, CONSTITUTE A DEFAULT OR AN EVENT OF DEFAULT UNDER THIS CONTRACT.**

SECTION 12.04. Remedies. If an Event of Default shall have occurred and be continuing,

(1) In an Event of Default, IDA may, at its option, declare all installments of Basic Contract Payments (equal to all the then outstanding principal amounts of the Bonds and any accrued interest thereon) payable under Section 4.01(a) hereof for the remainder of the Term to be immediately due and payable, whereupon the same shall become immediately due and payable.

(2) In an Event of Default, IDA may take whatever action at law or in equity may appear necessary or desirable to collect the Contract Payments then due and thereafter to become

due, or to enforce performance and observance of any obligation, agreement or covenant of the County under this Contract.

Any amounts collected pursuant to action taken under this Section shall be paid into the Debt Service Subfund under the Trust Agreement and applied in accordance with the provisions of the Trust Agreement, or, if the Payment of the Bonds shall have occurred, to IDA unless all sums owing hereunder by the County to IDA shall have been paid, in which case such amounts shall be paid to the County.

SECTION 12.05. No Remedy Exclusive. In an Event of Default, no remedy herein conferred upon or reserved to IDA or Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle IDA or the Trustee to exercise any remedy reserved to it in this Article XII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 12.06. Agreement to Pay Attorneys' Fees and Expenses. If any Event of Default shall occur or in the event the County should default under any of the provisions of this Contract and, in any such case, IDA or the Trustee should employ attorneys or incur other expenses for the collection of Contract Payments or the enforcement of performance or observance of any obligation or agreement on the part of the County herein contained, the County agrees that it will on demand therefor pay to IDA or the Trustee the reasonable fees of such attorneys and such other expenses so incurred.

SECTION 12.07. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Contract should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XIII.

NOTICES

SECTION 13.01. Notice Procedure. Whenever it is provided herein that notice, demand, request, consent, approval or other communication shall or may be given to or served upon either of the parties by the other, and whenever either of the parties shall desire to give or serve upon the other any notice, demand, request, consent, approval or other communication with respect hereto or to the Projects, each such notice, demand, request, consent, approval or other communication shall be in writing (a "Notice") and, any law or statute to the contrary notwithstanding, shall be effective for any purpose if given or served as follows:

(1) If to IDA, by registered or certified mail, postage prepaid, return receipt requested, or hand delivery addressed to IDA at P.O. Box 2636, _____ Att: Chairman,

with a copy thereof sent to Michael W. Graff, Jr., Esq., McGuireWoods, LLP 1750 Tysons Boulevard, Suite Tysons, VA 22102; or to such other party or address(es) as IDA may from time to time designate by notice given to the County by registered or certified mail as aforesaid.

(2) If to the County, by registered or certified mail, postage prepaid, return receipt requested, or hand delivery, addressed to 1 County Complex Court Prince William, Virginia 22192 Attention: Director of Finance; or to such other party or address(es) as the County may from time to time designate by notice given to the County by registered or certified mail as aforesaid.

(3) A copy of any notice sent to the County or IDA shall also be sent to the Trustee, by registered or certified mail, postage prepaid, or hand delivery, addressed as provided in the Trust Agreement.

SECTION 13.02. Receipt. Every notice, demand, request, consent, approval or other communication hereunder shall be deemed to have been given or served when received at the recipient's office address as designated in Section 13.01.

ARTICLE XIV.

MISCELLANEOUS

SECTION 14.01. Performance of Governmental Functions. Notwithstanding anything to the contrary contained in this Contract, nothing contained in this Contract shall in any way estop, limit or impair the County from exercising or performing any regulatory, policing or other governmental functions with respect to the Properties.

SECTION 14.02. Nature of County Obligation. The obligation of the County to pay Basic Contract Payments, Additional Contract Payments and other amounts hereunder shall be as set forth herein, and nothing contained in this Contract shall obligate or be deemed to obligate the County to pay the principal of and premium, if any, and interest on the Bonds.

SECTION 14.03. Successors. The agreements, terms, covenants and conditions herein shall bind and inure to the benefit of IDA and the County and their respective successors and (except as otherwise provided herein) assigns.

SECTION 14.04. Limitation of Personal Liability. No covenant, condition or agreement contained in this Contract shall be deemed to be a covenant, agreement or obligation of any present or future member, commissioner, supervisor, officer, employee or agent of IDA or the County in his individual capacity. No member, commissioner, supervisor, officer, employee or agent of IDA or the County shall incur any personal liability with respect to any action pursuant to this Contract or the Enabling Act provided such commissioner, supervisor, officer, employee or agent acts in good faith.

SECTION 14.05. Invalidity of Certain Provisions. If any section, term or provision of this Contract or the application thereof to any person or circumstances shall, to any extent, be or become invalid or unenforceable, the remainder of this Contract, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or

unenforceable, shall not be affected thereby, and each term and provision of this Contract shall be valid and be enforced to the fullest extent permitted by law. IDA and the County agree to substitute for such section, term or provision of this Contract or the application thereof determined to be invalid or unenforceable, such other provision as closely approximating such invalid, illegal or unenforceable term or provision. If IDA and the County do not agree, they shall apply to a court of competent jurisdiction to substitute such provision as the court deems reasonable and judicially valid, legal and enforceable. Such provision determined by the court shall automatically be deemed part of this Contract *ab initio*.

SECTION 14.06. Amendment of Contract. This Contract cannot be changed or terminated orally, but only by a written instrument of change, modification, waiver or termination executed by the party against whom enforcement of any change, modification, waiver or discharge is sought, and in accordance with the Trust Agreement.

SECTION 14.07. Governing Law and Forum. The laws of the State govern the validity, interpretation, construction, and performance of this Contract. Unless otherwise agreed in writing, jurisdiction for the resolution of any disputes arising out of this Contract shall lie in a court of competent jurisdiction.

SECTION 14.08. No Joint Venture. Nothing herein is intended nor shall be deemed or construed to create a joint venture or partnership between IDA and the County or constitute either the agent of the other, nor to make IDA in any way responsible for the duties, responsibilities, obligations, liabilities, debts or losses of the County.

SECTION 14.09. Compliance with all Laws, Rules and Regulations. The parties hereto represent that each will comply with all applicable, binding laws, rules and regulations of any governmental authority relating to the use and occupancy of the Properties.

SECTION 14.10. Provision of Notices and Other Information to Rating Agencies. The County agrees to furnish to each Rating Agency requesting the same (i) copies of all filings made pursuant to its undertakings made pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, and (ii) any failure by the Board of County Supervisors to appropriate timely amounts sufficient to pay the Basic Contract Payments and Additional Contract Payments due in the next fiscal year.

SECTION 14.11. USA Freedom Act Requirements of the Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. Accordingly, the Trustee will require documentation from IDA and the County and each non-individual person such as a business entity, a charity, a trust, or other legal entity verifying its formation as a legal entity. The Trustee may also seek financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. Each of IDA and the County agrees to provide its reasonable cooperation in such matters and to cause other legal entities to provide such reasonable cooperation if requested by the Trustee.

SECTION 14.12. Entire Agreement. This Contract, and the Exhibits and Schedules hereto, contain all the promises, agreements, conditions, inducements and understandings between IDA and the County relative to the sale of the Projects by IDA to the County.

IN WITNESS WHEREOF, IDA and the County have duly executed this Contract under Seal as of the day and year first above written.

[SEAL]

SELLER:

**INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF
PRINCE WILLIAM, VIRGINIA**

By: _____
Chairman

ATTEST:

Secretary/Treasurer

[SEAL]

PURCHASER:

**PRINCE WILLIAM BOARD OF
COUNTY SUPERVISORS**

By: _____

ATTEST:

Chief Deputy Clerk of the Board

EXHIBIT A

Legal Description

PROPERTIES DESCRIPTION

[legal description to come].

EXHIBIT B

PERMITTED ENCUMBRANCES

“Permitted Encumbrances” shall mean, all encumbrances affecting title to the properties as of the date hereof and all encumbrances listed below as of any particular time:

(1) leases, licenses, concessions or other similar arrangements or rights to property which relate to the Properties which are of a type that is customarily the subject of such leases, licenses, concessions or other similar arrangements or rights to property, such as food service facilities, newsstands, convenience shops or other specialty services necessary or incidental to the operation of the Properties;

(2) liens for taxes and special assessments which are not then delinquent, or if then delinquent are being contested in accordance with Section 7.03 hereof;

(3) utility, access and other easements and rights-of-way, restrictions, encumbrances and exceptions which do not materially interfere with or materially impair the operation or usefulness of the Properties for their intended purpose;

(4) any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in accordance with the provisions of Section 7.03 hereof;

(5) such liens, defects, irregularities of title and encroachments on adjoining property as normally exist with respect to property similar in character to the Properties and which do not materially adversely interfere with or materially impair the operation or usefulness of the Properties for their intended purpose;

(6) zoning laws and similar restrictions which are not violated by the Properties;

(7) all right, title and interest of the Commonwealth of Virginia, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way;

(8) liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which the County shall at any time in good faith be prosecuting an appeal or proceeding for a review and in respect of which a stay of execution pending such appeal or proceeding for review shall be in existence; and

(9) such liens, covenants, conditions and restrictions, if any, which are other than those of the type referred to in clauses (1) through (8) above, and which do not and will not, so far as can reasonably be foreseen, materially adversely affect the value of the Properties or materially interfere with or impair the operation or usefulness of the Properties for their intended purpose.

SCHEDULE 1

BASIC CONTRACT PAYMENTS

DUE DATE

BASIC CONTRACT PAYMENT

See attached

SCHEDULE 2

INSURANCE

REQUIRED INSURANCE

On the Effective Date, the County shall place, or cause there to be placed, into effect the following coverages:

(1) Property Insurance: an insurance policy providing “all risks” coverage for direct physical loss or damage to the structure (real and personal property), to be used in, incidental to, or during operation and maintenance of the Projects (certain exclusions and limitations apply).

The coverage under the policy shall have a coverage limit equal to one hundred percent (100%) of the replacement cost value of such property, to be determined periodically at the request of the County, but not less frequently than annually, by one of the insurers or an appraiser, an architect or contractor chosen by the County.

(2) General Liability Insurance: a standard (1/73 Ed.) ISO occurrence Form Commercial General Liability Insurance policy, or its equivalent or better, covering the liability of the County for all operations and maintenance in connection with the Buildings.

The coverage under such insurance policy or policies, shall have not less than the following limits:

Personal Injury and Property Damage Liability.

\$5,000,000 combined aggregate limit each occurrence.

If necessary, elevator coverage will also be included.

MISCELLANEOUS

(1) All terms and conditions of the insurance procured and/or self insurance maintained by the County and its transferees shall be submitted to IDA and the Trustee within ninety 90 days of inception of said policies.

(2) The insurance policies described in this schedule shall provide that the policies shall not be changed or terminated without forty-five (45) days prior written notice to both IDA and the Trustee.

(3) Such insurance shall be issued by companies licensed to do business in the Commonwealth of Virginia with the Best's Key Rating of at least A-:VI.

NOTICE OF SALE

\$ _____ *

**INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE
WILLIAM
PRINCE WILLIAM COUNTY FACILITIES REVENUE AND REFUNDING BONDS
SERIES 2020A
(COUNTY FACILITIES PROJECTS)**

Electronic Bids, BiDCOMP/Parity Competitive Bidding System (“BiDCOMP/Parity”) only, will be received by the Industrial Development Authority of the County of Prince William (the “Authority”), until [11:00] a.m., Prince William, Virginia Time, on

October __, 2020*

for the purchase of all, but not less than all, of the Authority’s \$ _____ * Prince William County Facilities Revenue and Refunding Bonds, Series 2020A (County Facilities Projects) (the “Bonds”), dated the date of their delivery and maturing, subject to the right of prior redemption as hereinafter set forth, on the following dates and in the following amounts, respectively:

Initial Maturity Schedule for the Bonds*

<u>Maturity</u>	<u>Principal Amount*</u>	<u>Maturity</u>	<u>Principal Amount*</u>
4/1/2021		10/1/2031	
10/1/2021		10/1/2032	
10/1/2022		10/1/2033	
10/1/2023		10/1/2034	
10/1/2024		10/1/2035	
10/1/2025		10/1/2036	
10/1/2026		10/1/2037	
10/1/2027		10/1/2038	
10/1/2028		10/1/2039	
10/1/2029		10/1/2040	
10/1/2030			

* Preliminary, subject to change.

The Authority reserves the right to change the date for receipt of bids (the “Scheduled Bid Date”) in accordance with the section of this Notice of Sale entitled “Change of Bid Date and Closing Date; Other Changes to Notice of Sale.”

BID PARAMETERS TABLE FOR THE BONDS*

INTEREST		PROCEDURAL	
Dated Date:	Date of Delivery	Sale Date and Time:	Bids due October __, 2020, at [11:00] a.m. Local Time
Anticipated Delivery/Closing Date:	October __, 2020	Bid Submission:	Electronic bids through BiDCOMP/PARITY Only
Interest Payments Dates:	April 1 and October 1	All or None?	Yes
First Interest Payment Date:	April 1, 2021	Bid Award Method:	Lowest TIC
Coupon Multiples:	1/8 or 1/20 of 1%	Good Faith Deposit:	1% of the Bid Maturity Schedule, as more fully described on page F-6, under “Good Faith Deposit”
Zero Coupons:	Not Permitted	Max TIC	No Limit
Split Coupons:	Not Permitted		
PRINCIPAL		PRICING	
Optional Redemption:	Non-callable	Max. Aggregate Bid Price:	___%
Post-bid Principal Increases in Aggregate:	10%	Min. Aggregate Bid Price:	[100%]
Post-bid Principal Reductions in Aggregate:	10%	Max. Price per Maturity:	No Limit
Term Bonds:	Any two or more consecutive maturities may be designated as Term Bonds	Min. Price per Maturity:	No Limit
		High Coupon per Maturity:	Not to exceed [5.00%]
		Low Coupon per Maturity:	Zero

* Subject to the detailed provisions of this Notice of Sale.

Changes to Initial Maturity Schedule for the Bonds

The Initial Maturity Schedule for the Bonds (the “Initial Maturity Schedule”) set forth on page 1 represents an estimate of the principal amount of Bonds to be sold. The Authority hereby reserves the right to change the Initial Maturity Schedule, based on market conditions prior to the sale, by announcing any such change not later than 30 minutes prior to the announced time and date for receipt of bids via TM3 (www.tm3.com). The resulting schedule of maturities will become

the “Bid Maturity Schedule” for the Bonds. If no such change is announced, the Initial Maturity Schedule will become the Bid Maturity Schedule for the Bonds.

Changes to Bid Maturity Schedule

The Authority hereby further reserves the right to change the Bid Maturity Schedule after the determination of the winning bidder, by increasing or decreasing the aggregate principal amount of the Bonds, subject to the limitation of no more than a 10% increase or decrease in the aggregate principal amount.

THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING TERMS (AS HEREAFTER DEFINED) AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the final aggregate principal amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriters’ discount and original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of the Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Terms. The interest rates specified by the successful bidder for the various maturities at the Initial Reoffering Terms will not change. The Authority anticipates that the final annual principal amounts and the final aggregate principal amount of the Bonds will be communicated to the successful bidder within twenty-four hours of the Authority’s receipt of the initial public offering prices and yields of the Bonds (the “Initial Reoffering Terms”).

Book-Entry System

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity of the Bonds will be issued to The Depository Trust Company, New York, New York (“DTC”), and immobilized in its custody. The book-entry system will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 and any multiple thereof, with transfers of beneficial ownership interests effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. Interest on the Bonds will be payable on each April 1 and October 1, the first interest payment date being April 1, 2021, and principal of and any redemption premium on the Bonds will be payable at maturity or upon prior redemption, to DTC or its nominee as registered owner of the Bonds. Transfer of principal, interest and any redemption payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Authority will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Authority determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Authority will discontinue the book-entry system with DTC. If the Authority fails to select another qualified securities depository to replace DTC, the Authority will deliver replacement Bonds in the form of fully registered certificates.

The Bonds

The Bonds are being issued to provide funds to (i) finance the improvement of certain property to be used by Prince William County, Virginia (the “County”), as described in the Preliminary Official Statement (collectively, the “2020 Projects”), (ii) refund certain Park Facilities County Contribution Revenue Bonds, Series 2010 (the “2010 Park Bonds”), issued by the Prince William County Park Authority (now consolidated with the County), which refinanced certain County facility projects (together with the 2020 Projects, the “Projects”), and (iii) and pay costs of issuance of the Bonds.

The Bonds are payable from installment payments to be made by the County under an Installment Purchase Contract, dated as of October 1, 2020, between the Authority and the County (the “Installment Purchase Contract”), pursuant to which the Authority has sold to the County the Authority’s interest in the Projects. The obligation of the County to make payments under the Installment Purchase Contract in each fiscal year of the County is absolute and unconditional but subject to and contingent upon the annual appropriation of funds by the Board of County Supervisors of the County for such purpose. The Bonds, the Authority’s Prince William County Facilities Revenue and Refunding Bonds, Series 2016A (County Facilities Projects), and any additional bonds issued under the Master Trust Agreement will be secured on a parity by payments due under payment agreements including terms similar to the terms of the Installment Purchase Contract.

Term Bonds and Mandatory Redemption

The successful bidder of the Bonds may designate two or more of the consecutive serial maturities to be a term bond maturity equal in aggregate principal amount, and with sinking fund requirements corresponding, to such designated serial maturities.

Optional Redemption and Extraordinary Optional Redemption

Except under the circumstances described in the following paragraph, the Bonds maturing on or before [October 1, 2030], are not subject to redemption prior to their stated date of maturity. The Bonds maturing after [October 1, 2030], are subject to redemption at the option of the Authority, in whole or in part, at any time on or after [October 1, 2030], at a redemption price equal to the principal amount of the Bonds to be redeemed plus interest accrued thereon to the redemption date.

The Bonds are subject to extraordinary optional redemption, in whole or in part on any date, at a price equal to the principal amount thereof, together with interest thereon accrued to the date of redemption, upon the exercise by the Authority of its option to prepay the purchase price of a Project or portion thereof, pursuant to the Installment Purchase Contract when proceeds of an

insurance or condemnation award are received and such proceeds are not used to repair, reconstruct or restore the affected Project, as applicable.

Electronic Bidding and Bidding Procedures

Registration to Bid

All prospective bidders must be contracted customers of i-Deal LLC's BiDCOMP/Parity Competitive Bidding System. If you do not have a contract with BiDCOMP/Parity, call (212) 404-8102 to inquire about becoming a customer. By submitting a bid for the Bonds, a prospective bidder represents and warrants to the Authority that such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds. By contracting with BiDCOMP/Parity, a prospective bidder is not obligated to submit a bid in connection with the sale.

IF ANY PROVISIONS OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BiDCOMP/Parity AS APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE OF SALE, AS IT MAY BE AMENDED BY THE AUTHORITY AS DESCRIBED WITHIN, SHALL CONTROL. Further information about BiDCOMP/Parity, including any fee charged, may be obtained from BiDCOMP/Parity at (212) 404-8102.

Disclaimer

Each prospective bidder shall be solely responsible to register to bid via BiDCOMP/Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BiDCOMP/Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Authority nor BiDCOMP/Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Authority nor BiDCOMP/Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, BiDCOMP/Parity. The Authority is using BiDCOMP/Parity as a communication mechanism, and not as the Authority's agent, to conduct the electronic bidding for the Bonds. The Authority is not bound by any advice and determination of BiDCOMP/Parity to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BiDCOMP/Parity are the sole responsibility of the bidders, and the Authority is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Bonds, it should telephone BiDCOMP/Parity and notify PFM Financial Advisors LLC, the Authority's financial advisor, by telephone at (571) 527-5124. After receipt of bids is closed, the Authority through BiDCOMP/Parity will indicate the apparent successful bidder. Such message is a courtesy only for viewers and does not constitute the award of the Bonds. Each bid will remain subject to review by the Authority to determine its true interest cost rate and compliance with the terms of this Notice of Sale.

Bidding Procedures

Bids must be submitted electronically for the purchase of all, but not less than all, of the Bonds by means of the Industrial Development Authority of the County of Prince William AON (all or none) Bid Form (the “Bid Form”), via BiDCOMP/Parity. Bids must be communicated electronically to BiDCOMP/Parity by 11:00 a.m., Prince William, Virginia Time on the Scheduled Bid Date unless postponed as described herein (see “Change of Bid Date and Closing Date; Other Changes to Notice of Sale”). Prior to that time, a prospective bidder may input and save the proposed terms of its bid in BiDCOMP/Parity. Once the final bid has been saved in BiDCOMP/Parity, the bidder may select the final bid button in BiDCOMP/Parity to submit the bid to BiDCOMP/Parity. Once the bids are released electronically via BiDCOMP/Parity to the Authority, each bid will constitute an **IRREVOCABLE** offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on BiDCOMP/Parity shall constitute the official Prince William, Virginia Time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Authority, as described under “Award of Bonds” below, represented by the rate or rates of interest and the bid price specified in their respective bids.

REVOCABLE BIDS ARE NOT PERMITTED.

By submitting a bid for the Bonds, each underwriter certifies it has an established industry reputation for underwriting new issuances of municipal bonds. The Authority will not accept bids from firms without an established industry reputation for underwriting new issuances of municipal bonds.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via BiDCOMP/Parity. No bid will be received after the time for receiving such bids specified above.

Good Faith Deposit

After receipt of bids is closed and prior to the award, the apparent successful bidder indicated on BidCOMP/Parity must submit a good faith deposit (the “Deposit”) for 1% of the aggregate par amount set forth in Bid Maturity Schedule to the Authority for the benefit of the Authority by wire transfer. The award to the apparent successful bidder is contingent upon receipt of the Deposit, and the Bonds will not be awarded to such bidder until the Authority has confirmation of receipt of the Deposit. The wire information will be provided to the apparent successful bidder shortly after the bidding deadline.

The proceeds of the Deposit will be held as security for the performance of the successful bidder’s bid and applied to the purchase price of the Bonds, but, in the event the successful bidder shall fail to comply with the terms of its bid, the Deposit will be retained as and for full liquidated damages. No interest will be allowed thereon.

Award of Bonds

Award or rejection of bids will be made by the Authority within 24 hours of the closing of receipt of bids. ALL BIDS SHALL REMAIN FIRM UNTIL AN AWARD OR REJECTION HAS BEEN MADE.

The Bonds will be awarded to the bidder offering to purchase the Bonds at the lowest “True or Canadian” interest cost (“TIC”), such cost to be calculated by determining the annual interest rate (compounded semiannually) at which the sum of the payments of the principal of and the interest on the Bonds discounted from their payment dates to the dated date of the Bonds equals the aggregate price bid of the Bonds. If two or more bidders offer to purchase the Bonds at the same lowest TIC, the successful bidder will be selected by the Authority.

Initial Reoffering Terms

The apparent successful bidder shall provide the initial public offering prices to the public (the “Initial Public Offering Prices”) and yields of each maturity of the Bonds (collectively the “Initial Reoffering Terms”) within 30 minutes of receipt of notice that it is the apparent winning bidder.

Right of Rejection

The Authority expressly reserves the right (i) to waive any informalities, (ii) to reject all bids, any incomplete bid or any bid not fully complying with all of the requirements set forth herein, and (iii) to solicit new bids or proposals for the sale of the Bonds or otherwise provide for the public sale of the Bonds if all bids are rejected or the winning bidder defaults, including, without limitation, sale of the Bonds to one or more of the losing or rejected bidders without regard to their original bid or its relationship to any other bid.

Change of Bid Date and Closing Date; Other Changes to Notice of Sale

The Authority reserves the right to postpone, from time to time, the date and time established for the receipt of bids and will undertake to announce any such change via TM3 (www.tm3.com).

Any postponement of the bid date will be announced via TM3 not later than one hour prior to the announced time for receipt of the bids. An alternative bid date and time will be announced via TM3 at least 18 hours prior to such alternative bid date.

On such alternative bid date and time, the Authority will accept bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for bidding and any other changes announced via TM3 at the time the bid date and time are announced.

The Authority may change the scheduled delivery date for the Bonds by notice given in the same manner as set forth for a change in the date for the receipt of bids.

The Authority reserves the right to otherwise change this Notice of Sale. The Authority anticipates that it would communicate any such changes via TM3 by 4:00 p.m., Prince William, Virginia Time on the date prior to the scheduled date for receipt of bids but no later than 30 minutes prior to the scheduled time and date for receipt of bids.

Conflict Waiver

Norton Rose Fulbright US LLP is serving as Bond Counsel in connection with the issuance and sale of the Bonds. By placing a bid, each bidder represents that it understands that Norton Rose Fulbright US LLP, in its capacity as Bond Counsel, represents the Authority and the County, and the successful bidder waives any conflict of interest that Norton Rose Fulbright US LLP's involvement in connection with the issuance and sale of the Bonds to such successful bidder presents.

Establishment of Issue Price

The successful bidder shall assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority prior to the Closing Date a certificate acceptable to Bond Counsel setting forth the reasonably expected Initial Public Offering Price, or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary in the reasonable judgment of the successful bidder, the Authority or Bond Counsel.

The Authority intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) the Authority shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Authority may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Authority anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

If the Authority receives fewer than three bids that conform to the parameters contained herein such that the competitive sale requirements are not satisfied, the Authority intends to treat the Initial Public Offering Price of each maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"). Consequently, each bidder should assume for purposes of making its bid that for each maturity of the Bonds, the Authority will treat the Initial Public Offering Prices as of the Sale Date of the Bonds as the issue price of the Bonds. The Authority will advise the apparent winning bidder within one hour of receipt of bids if the hold-the-offering-

price rule will apply. Attached as Exhibit B is a form of the issue price certificate to be provided by the successful bidder to the Authority prior to the Closing Date if the competitive sale requirements are not satisfied and the hold-the-offering-price rule is applied. Exhibit B is provided in form only and may be modified as may be appropriate or necessary in the reasonable judgment of the successful bidder, the Authority or Bond Counsel.

By submitting a bid, the successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds, (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or before the date that the Bonds are awarded by the Authority to the successful bidder ("Sale Date") at the Initial Public Offering Prices set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell any maturity of the Bonds to any person at a price that is higher than the Initial Public Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; and
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Public Offering Price for such maturity.

The successful bidder shall promptly advise the Authority when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Public Offering Price if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

The Authority acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer that is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that:

- (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each

underwriter, each dealer that is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) “public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public), and
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Undertakings of the Successful Bidder

The successful bidder shall make a bona fide public offering of all of the Bonds to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers who are not purchasing for their own account as ultimate purchasers without a view to resell) and will, within 30 minutes after being notified of the award of the Bonds, advise the Authority in writing of the Initial Reoffering Terms. Prior to the delivery of the Bonds, the successful bidder will furnish a certificate acceptable to Bond Counsel as to the “issue price”

of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended. It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty.

Delivery

The Bonds will be delivered on or about October __, 2020, in New York, New York, at DTC against payment of the purchase price therefor (less the amount of the Deposit) in Federal Reserve funds.

The approving opinion of Norton Rose Fulbright US LLP, Washington, D.C., in substantially the form appearing in the Preliminary Official Statement, will be furnished without cost to the successful bidder. There will also be furnished the usual closing papers, including certifications as to the Official Statement and no-litigation.

CUSIP Numbers

Application for CUSIP numbers with respect to the Bonds will be made by the Authority's financial advisor, but neither the failure to print CUSIP numbers on the Bonds nor any improperly printed CUSIP numbers shall constitute cause for failure or refusal by the successful bidder to accept delivery or make payment for the Bonds. The CUSIP Service Bureau's charge for the assignment of numbers shall be paid by the successful bidder.

Official Statements

Copies of the Preliminary Official Statement may be obtained without cost via the Internet at www.i-dealprospectus.com or www.muniplatform.com/offering. The Preliminary Official Statement at its date is "deemed final" by the Authority for purposes of the Securities and Exchange Commission Rule 15c2-12 adopted under the Securities Exchange Act of 1934, as amended (the "Rule"), but is subject to revision, amendment and completion.

After the award of the Bonds, the Authority will prepare copies of the Official Statement (no more than 200) and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request; provided, however, that the Authority will not include in the Official Statement a "NRO" ("not reoffered") designation with respect to any maturity of the Bonds. The successful bidder will be responsible to the Authority in all respects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering. The Authority expects the successful bidder to deliver copies of such Official Statement to persons to whom such bidder initially sells the Bonds and to The Electronic Municipal Market Access System ("EMMA") administered by the Municipal Securities Rulemaking Board. The successful bidder will be required to acknowledge receipt of such Official Statement, to certify that it has made delivery of the Official Statement to EMMA and to acknowledge that the Authority expects the successful bidder to deliver copies of such Official Statement to persons to whom such bidder initially sells the Bonds and to certify that the Bonds will only be offered pursuant to such Official Statement and only in states where the offer is legal. The successful bidder will be responsible to the Authority in all respects for the accuracy

and completeness of information provided by such successful bidder with respect to such reoffering.

In general, the Rule prohibits an underwriter from purchasing or selling municipal securities, such as the Bonds, unless it has determined that the issuer of such securities has committed to provide annually certain information, including audited financial information, and notice of various events described in the Rule, if material. The Authority will provide to EMMA annual information respecting the Authority, including audited financial statements. In addition, the Authority will provide to EMMA the required notice of the occurrence of any events described in the Rule.

Official Statements will be provided within seven (7) business days after the date of the award of the Bonds in such quantities as may be necessary for the successful bidder's regulatory compliance.

Further information will be furnished upon application to Sarah Frey of PFM Financial Advisors LLC (571) 527-5124.

Reservation of Rights

The right to reject any or all bids and to waive any irregularity or informality in any bid is reserved.

**INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE
WILLIAM**

By: Laurie C. Wieder, Secretary/Treasurer

Exhibit A

\$(PRINCIPAL AMOUNT)
INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE
WILLIAM
PRINCE WILLIAM COUNTY FACILITIES REVENUE AND REFUNDING BONDS
SERIES 2020A
(COUNTY FACILITIES PROJECTS)

ISSUE PRICE CERTIFICATE
(for Competitive Sales to be modified if Hold-the-Offering-Price Rule applies)

The undersigned, on behalf of [NAME OF UNDERWRITER] (the “Purchaser”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”) of the Industrial Development Authority of the County of Prince William, Virginia (the “Issuer”).

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is ____, 2020.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the

initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[NAME OF UNDERWRITER]

By: _____

Name: _____

Title: _____

Dated: _____

SCHEDULE A TO ISSUE PRICE CERTIFICATE

EXPECTED OFFERING PRICES

(Attached)

SCHEDULE B TO ISSUE PRICE CERTIFICATE

[Copy of Bid Submitted by Underwriter]

Exhibit B

**\$[PRINCIPAL AMOUNT]
INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE
WILLIAM
PRINCE WILLIAM COUNTY FACILITIES REVENUE AND REFUNDING BONDS
SERIES 2020A
(COUNTY FACILITIES PROJECTS)**

**ISSUE PRICE CERTIFICATE
(if Hold-the-Offering-Price Rule applies)**

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”) [and the other members of the underwriting syndicate (together, the “Underwriting Group”)], hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of the Industrial Development Authority of the County of Prince William, Virginia (the “Issuer”).

1. *Initial Offering Price of the Hold-the-Offering-Price Maturities.*

(a) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the [Bond Purchase Agreement][Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER][The Underwriting Group] agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail or other third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail or other third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

2. *Defined Terms.*

(a) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(b) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which [SHORT NAME OF UNDERWRITER][The Underwriting Group] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [date of award].

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[NAME OF UNDERWRITER]

By: _____

Name: _____

Title: _____

Dated: _____

SCHEDULE A

INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

NEW ISSUE

In the opinion of Bond Counsel, assuming compliance with the provisions of the Internal Revenue Code of 1986, as amended, as described herein, and subject to conditions described in “TAX MATTERS” herein, interest on the Series 2020A Bonds will not be included in the gross income of the owners thereof for federal income tax purposes. Under the Enabling Act (as defined herein), the income on the Series 2020A Bonds, including any profit made on the sale thereof, is exempt from all taxation by the Commonwealth of Virginia or any political subdivision thereof. See “TAX MATTERS” herein for certain provisions regarding the Code that may affect the tax treatment of interest on the Series 2020A Bonds for certain bondholders.

\$ _____ *

Industrial Development Authority of the County of Prince William (Virginia)

Prince William County Facilities Revenue and Refunding Bonds

Series 2020A

(County Facilities Projects)

Dated: Date of Delivery

Due: as shown on the inside cover page

Interest on the Series 2020A Bonds is payable on April 1 and October 1 of each year, commencing April 1, 2021.

The Series 2020A Bonds are subject to optional, extraordinary optional [and mandatory sinking fund redemption] prior to maturity as more fully described herein.

The Series 2020A Bonds will be issued under the Master Trust Agreement, dated as of April 1, 2016 (the “Master Trust Agreement”), as supplemented by the Second Supplemental Trust Agreement, dated as of October 1, 2020, each between the Industrial Development Authority of the County of Prince William (the “Authority”) and U.S. Bank National Association, as trustee (in such capacity, the “Trustee”). The Series 2020A Bonds will be issued as fully registered bonds registered in the name of Cede & Co., as nominee of DTC, The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2020A Bonds. Individual purchases of the Series 2020A Bonds will be made in book-entry form only in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their ownership interest in the Series 2020A Bonds purchased. So long as DTC or its nominee is the registered owner of the Series 2020A Bonds, payments of the principal of and interest due on the Series 2020A Bonds will be made directly to DTC.

The Series 2020A Bonds are being issued to provide funds to (i) finance the improvement of certain property to be used by Prince William County, Virginia (the “County”), as described herein (collectively, the “2020 Projects”), (ii) refund certain Park Facilities County Contribution Revenue Bonds, Series 2010 (the “2010 Park Bonds”), issued by the Prince William County Park Authority, which refinanced certain County facility projects (the “Prior Projects” and, together with the Prior Projects, the “Projects”), and (iii) pay costs of issuance of the Series 2020A Bonds.

The Series 2020A Bonds are payable from installment payments to be made by the County under an Installment Purchase Contract, dated as of October 1, 2020, between the Authority and the County (the “Installment Purchase Contract”), pursuant to which the Authority has sold to the County the Authority’s interest in the Projects. The obligation of the County to make payments under the Installment Purchase Contract in each fiscal year of the County is absolute and unconditional but subject to and contingent upon the annual appropriation of funds by the Board of County Supervisors of the County for such purpose. The Series 2020A Bonds and any additional bonds issued under the Master Trust Agreement will be secured on a parity by payments due under payment agreements including terms similar to the terms of the Installment Purchase Contract.

The Series 2020A Bonds are not a debt of County, the Authority, the Commonwealth of Virginia or any other political subdivision thereof, within the meaning of any constitutional, charter, or statutory debt limit or restriction, nor is the full faith and credit of the County, the Authority or the Commonwealth of Virginia pledged to the payment of the Series 2020A Bonds or the interest thereon. The Authority has no taxing power.

The Series 2020A Bonds are being offered for delivery when, as and if issued and subject to the approval of legality by Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel. Certain legal matters will be passed upon for the Authority by McGuireWoods LLP, Tysons, Virginia, and for the County by Michelle R. Robl, Esquire, County Attorney. The Series 2020A Bonds are expected to be available for delivery through the facilities of DTC in New York, New York, on or about October __, 2020.

Dated: October __, 2020

\$ _____ *

Industrial Development Authority of the County of Prince William (Virginia)
Prince William County Facilities Revenue and Refunding Bonds
Series 2020A
(County Facilities Projects)

Base CUSIP[†] Number 741752

Dated: Date of Delivery

Due: as shown below

MATURITY, AMOUNTS, INTEREST RATES AND PRICES/YIELDS*

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>CUSIP[†] Suffix</u>
4/1/2021				
10/1/2021				
10/1/2022				
10/1/2023				
10/1/2024				
10/1/2025				
10/1/2026				
10/1/2027				
10/1/2028				
10/1/2029				
10/1/2030				
10/1/2031				
10/1/2032				
10/1/2033				
10/1/2034				
10/1/2035				
10/1/2036				
10/1/2037				
10/1/2038				
10/1/2039				
10/1/2040				

[†] CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only, and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Bonds.

* Preliminary, subject to change.

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF PRINCE WILLIAM**

Patrick F. O’Leary, *Chairman*
Lorna P. Wallen, *Vice-Chairman*
Laurie C. Wieder, *Secretary/Treasurer*
Harry H. Horning, II
Bobby Long
Dexter Montgomery
J. Andrew Taylor

AUTHORITY’S COUNSEL
McGuireWoods, LLP

PRINCE WILLIAM COUNTY, VIRGINIA

BOARD OF COUNTY SUPERVISORS

Ann B. Wheeler, *Chair*
Victor S. Angry, *Vice Chair*
Andrea O. Bailey
Kenny A. Boddye
Pete K. Candland
Margaret Angela Franklin, *Chair Pro-Tem*
Jeanine M. Lawson
Yesli Vega

COUNTY OFFICIALS

Christopher E. Martino, *County Executive*
Michelle A. Casciato, *Deputy County Executive*
Rebecca Horner, *Deputy County Executive*
Elijah Johnson, *Deputy County Executive*
Michelle L. Attreed, *Director Of Finance*

COUNTY ATTORNEY

Michelle R. Robl, Esquire, *County Attorney*

FINANCIAL ADVISOR

PFM Financial Advisors LLC
Arlington, Virginia

BOND COUNSEL

Norton Rose Fulbright US LLP
Washington, D.C.

No dealer, salesman or other person has been authorized to give any information or to make any representations, other than the information contained in this Official Statement, in connection with the offering of the Series 2020A Bonds, and, if given or made, such information or representations must not be relied upon as having been authorized by the Authority, the County, or the Underwriters. The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the County since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The information set forth herein has been obtained from the Authority or the County and other sources that are believed to be reliable.

Forward looking statements. Certain statements contained in this Official Statement that are not historical facts are forward looking statements, which are based on the Authority's or the County's beliefs, as well as assumptions made by, and information currently available to, them. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. The words "anticipate," "assume," "estimate," "expect," "objective," "projection," "forecast," "goal," "budget," or similar words are intended to identify forward looking statements. The words "now," "to date," "currently" and the like are intended to mean as of the date of this Official Statement.

The Authority has provided the following sentence for inclusion in this Official Statement. The Authority does not assume any responsibility as to the accuracy or completeness of the information contained in this Official Statement, other than that contained under the captions "**THE AUTHORITY**" and the first paragraph under "**LITIGATION.**"

The registration or qualification of the offer and sale of the Series 2020A Bonds (as distinguished from registration of the ownership of the Series 2020A Bonds) is not required under the federal Securities Act of 1933, as amended, or the Virginia Uniform Securities Act, as amended. **THE AUTHORITY ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE SERIES 2020A BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE SERIES 2020A BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED.**

The Trustee has neither reviewed nor participated in the preparation of this Official Statement.

The cover and inside cover pages hereof, this page and the appendices attached hereto are integral parts of this Official Statement.

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OFFICIAL STATEMENT

\$ _____ *

**Industrial Development Authority of the County of Prince William
Prince William County Facilities Revenue and Refunding Bonds
Series 2020A
(County Facilities Projects)**

INTRODUCTION

The purpose of this Official Statement, including the cover page and the Appendices hereto, is to set forth certain information regarding \$ _____* aggregate principal amount of Prince William County Facilities Revenue and Refunding Bonds Series 2020A (County Facilities Projects) (the “Series 2020A Bonds”) to be issued by the Industrial Development Authority of the County of Prince William (the “Authority”). The Series 2020A Bonds are being issued pursuant to the Constitution and laws of the Commonwealth of Virginia, including the Industrial Development and Revenue Bond Act, Title 15.2 Chapter 49 of the Code of Virginia, as amended, and other applicable law (the “Enabling Act”), and the provisions of a Master Trust Agreement, dated as of April 1, 2016, as supplemented by a Second Supplemental Trust Agreement, dated as of October 1, 2020 (collectively, the “Trust Agreement”), each between the Authority and U.S. Bank National Association, as trustee (in such capacity, the “Trustee”).

All capitalized, undefined terms used herein shall have the meanings set forth in Appendix C, “SUMMARY OF CERTAIN DOCUMENTS PROVISIONS – Definitions.”

The Authority previously issued \$26,290,000 aggregate principal amount of its Prince William County Facilities Revenue and Refunding Bonds, Series 2016A (County Facilities Projects) (the “Series 2016A Bonds”) under the Trust Agreement and a First Supplemental Trust Agreement, dated as of April 1, 2016. The Series 2020A Bonds, together with the Series 2016A Bonds, any Additional Bonds and Refunding Bonds issued pursuant to the Trust Agreement, are collectively referred to herein as the “Bonds.” Proceeds of the Series 2016A were used to finance certain County facilities, as described under the caption “THE PROJECTS.”

The Series 2020A Bonds are being issued for the purpose of providing funds to (i) finance the improvement of certain property to be used by Prince William County, Virginia (the “County”), as the Phase 2 expansion of the Adult Detention Center (the “ADC Project”), a new Animal Shelter (the “Animal Shelter Project”) and the Mid-County Fire Station 22 (the “Fire Station Project” and collectively with the ADC Project and the Animal Shelter Project (collectively, the “2020 Projects”), (ii) refund the outstanding Park Facilities County Contribution Revenue Bonds, Series 2010 (the “2010 Park Bonds”), issued by the Prince William County Park Authority, which has since been consolidated with the County, to refinance certain park facilities (the “Prior Projects” and, together with the 2020 Projects, the “Projects”) and (iii) and pay costs of issuance of the Series 2020A Bonds. As used in this Official Statement, “Projects” does not include facilities financed or refinanced with proceeds of the Series 2016A Bonds. See “THE PROJECTS,” “REFUNDING PLAN” and “ESTIMATED SOURCES AND USES OF FUNDS.”

Simultaneously with the execution and delivery of the Trust Agreement, the Authority and the County will enter into an Installment Purchase Contract, dated as of October 1, 2020, with respect to the Projects (the “Contract”). Under the Contract, the Authority will agree (1) to sell its interests in the

* Preliminary, subject to change.

Projects to the County in consideration of the County's (i) undertaking responsibility for the Projects, and (ii) agreement to pay a purchase price for the Projects, and interest thereon, sufficient for the Authority to pay timely the debt service on the Series 2020A Bonds and (2) to make available to the County proceeds of the Series 2020A Bonds to pay the cost of constructing and equipping the 2020 Projects and to refund the Refunded Bonds (as hereinafter defined). See Appendix C, "SUMMARY OF CERTAIN DOCUMENTS PROVISIONS – The Installment Purchase Contract."

Under the Contract, the County has agreed to make "Basic Contract Payments" sufficient to pay the principal of and interest on the Series 2020A Bonds. Under the Contract, the County has also agreed to make "Additional Contract Payments" (together with "Basic Contract Payments," the "Contract Payments") in amounts sufficient, among other purposes, to pay the Authority's expenses allocable to the Contract and for the Authority to pay timely the compensation and expenses of the Trustee. Under the Trust Agreement, the Authority has assigned its right to receive the Contract Payments (except those Additional Contract Payments required to pay certain Authority expenses) to the Trustee for the benefit of the owners of the Series 2020A Bonds. The obligation of the County to make Basic Contract Payments and Additional Contract Payments and any other payments required under the Contract in each fiscal year is a valid and binding obligation of the County but is subject to and contingent upon the annual appropriation of funds by the Board of County Supervisors of the County (the "Board of County Supervisors") for such purpose. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020A BONDS – Basic Contract Payments and Additional Contract Payments" and "CERTAIN INVESTMENT CONSIDERATIONS."

The Series 2020A Bonds are limited obligations of the Authority payable solely from the revenues pledged under the Trust Agreement. Neither the faith and credit of the Commonwealth of Virginia (the "State" or the "Commonwealth"), nor any political subdivision thereof (including the Authority and the County), are pledged to the payment of the principal of or the interest or premium, if any, on the Series 2020A Bonds.

The Series 2020A Bonds are not a debt of County, the Authority, the Commonwealth of Virginia or any other political subdivision thereof, within the meaning of any constitutional, charter, or statutory debt limit or restriction, nor is the full faith and credit of the County, the Authority or the Commonwealth of Virginia pledged to the payment of the Series 2020A Bonds or the interest thereon. The Authority has no taxing power.

Brief descriptions of the Authority, the County, the Projects, the Refunding Candidates (as defined herein), the Series 2020A Bonds, the security for the Series 2020A Bonds, the Trust Agreement, the Contract, and related documents are included in this Official Statement. The descriptions of the documents included in this Official Statement do not purport to be comprehensive or definitive and are qualified in their entirety by reference to such documents.

Certain financial and operating data contained herein and in particular in Appendices A and B are as of the dates and for the periods indicated, which were prior to the outbreak of the COVID-19 pandemic. Such historical financial and operating data have not been updated to reflect any potential impacts of the COVID-19 pandemic on the County's general economic and financial condition.

Inquiries on this Official Statement may be directed to Ms. Michelle L. Attreed, Director of Finance, Prince William County, 1 County Complex Court, Prince William, Virginia, 22192, telephone (703) 792-6700, or to Ms. Sarah Frey, PFM Financial Advisors LLC, 4350 North Fairfax Drive, Suite 580, Arlington, Virginia 22203-1547, telephone (571) 527-5124.

THE AUTHORITY

The Authority was created pursuant to the Enabling Act to foster and stimulate the development of industry within Prince William County and is a political subdivision of the Commonwealth. It is governed by seven commissioners appointed by the Board of County Supervisors. The Authority is empowered by the Enabling Act to, among other things, acquire, construct, own, lease and dispose of various types of facilities, including facilities for use by a county, a municipality, the Commonwealth and its agencies, or other governmental organization, and to finance the same by the issuance of its revenue bonds for such purposes. The Authority has no taxing power.

The members of the Board of Directors of the Authority and the expiration dates of their respective terms in office are set forth below.

<u>Member</u>	<u>Term Expires</u>
Patrick F. O’Leary, <i>Chairman</i>	9/11/2022
Lorna P. Wallen, <i>Vice Chairman</i>	9/11/2023
Laurie C. Wieder, <i>Secretary/Treasurer</i>	9/11/2022
Harry H. Horning, II	9/11/2020
Bobby Long	9/11/2021
Dexter Montgomery	9/11/2021
J. Andrew Taylor	9/11/2021

Under the Enabling Act, a Director whose term has expired will continue to hold office until a successor is appointed and qualified.

The Authority has acted as a conduit issuer of bonds other than the Series 2020A Bonds. Only Bonds outstanding under the Trust Agreement, including the Series 2016A Bonds and the Series 2020A Bonds, are payable from payments made under the Contract or other Payment Agreements (hereinafter defined) entered into upon the issuance of other Bonds under the Trust Agreement.

THE COUNTY

The County is located in the northern Virginia and encompasses a net land area of 348 square miles. The County is part of the Washington, D.C. metropolitan area, which includes jurisdictions in Maryland, the District of Columbia and Northern Virginia.

Since 1972, the County has operated under the County Executive form of government, as provided for in Sections 15.2-500 *et seq.* of the Code of Virginia of 1950, as amended. The governing body of the County is an eight-member Board of County Supervisors. Residents in each of the County’s seven magisterial districts elect one member of the Board of County Supervisors to serve a term of four years. The eighth member of the Board of County Supervisors is elected at-large by County residents to serve a four-year term as Chairman. The current members of the Board of County Supervisors were elected on November 5, 2019, and took office on January 1, 2020. The current terms of all Board of County Supervisors members will expire on December 31, 2023.

In Virginia, cities and counties are not overlapping units of government. There are two independent cities within the County. On May 1, 1975, the former Town of Manassas was incorporated as a city, and on June 1, 1975, the former Town of Manassas Park was incorporated as a city (collectively, the “Cities”).

Property within the Cities is not subject to taxation by the County, and the County generally is not required to provide governmental services to the residents of the Cities. The County, however, does provide library and other community services to the residents of these Cities pursuant to intergovernmental agreements, which provide for compensation to the County for these services.

Four incorporated towns are located within the County: Dumfries, Haymarket, Occoquan and Quantico (collectively, the “Towns”). Although the Towns are separate units of government, the ordinances and regulations of the County are, subject to certain limitations prescribed by Virginia law, effective therein. Property in the Towns is subject to County taxation, and the County provides certain services to the residents of the Towns. The Towns may incur general obligation bonded indebtedness without the prior approval of the County.

See Appendices A and B for further information regarding the County.

THE PROJECTS

The 2020 Projects financed with the proceeds of the Series 2020A Bonds include the ADC Project, the Animal Shelter Project, and the Fire Station Project.

The ADC Project provides a second expansion adjacent to the County’s existing Adult Detention Center and a parking lot expansion. The ADC Project will provide bed space to alleviate current overcrowding and future inmate population growth. Additionally, the Adult Detention Center Work Release Program will also be relocated from leased space to the Adult Detention Center complex. The County anticipates that approximately \$_____ of the cost of the ADC Project will be provided by grants from the Commonwealth of Virginia.

The Animal Shelter Project will consist of a new animal shelter at the existing shelter location at Independent Hill on Dumfries Road in the County. The Animal Shelter Project will replace aging trailers where staff is housed, and several aging/deteriorating outbuildings used for storage. Construction of the new facility will be performed while the existing facility remains operational. Features of the new facility will include expanded animal adoption areas, quarantine and visitation areas, staff training area, veterinarian support space, feed and equipment storage areas, exam and grooming rooms, stray animal kennels, and space to address surge capacity related to animal cruelty and hoarding cases. The design will be in compliance with Association of Shelter Veterinarians facility standards.

The Fire Station Project will consist of the construction of Groveton Station (#22), a Fire and Rescue station to be located at 7500 Century Park Drive in the west end of the County. The 21,000 square-foot station will house a pumper, rescue unit, collapse unit, and an advanced life support ambulance. Career staffing will be provided for a 24-hour pumper unit, 24-hour rescue unit, and a 24-hour medic unit. The building will include sleeping quarters, a kitchen and dayroom, physical fitness room, training room, storage for heavy tactical rescue equipment, and offices. The station will include four apparatus bays, an area for personal protective equipment, and an exterior training tower.

[to be updated] The Prior Projects to be refinanced with proceeds of the Series 2020A Bonds are the General’s Ridge Golf Course and the Splash/Down Water Park. The General’s Ridge Golf Course is an 18-hole golf course with a driving range and Pro Shop, located in Manassas Park, Virginia. The Splash/Down Water Park is an approximately 13-acre outdoor water facility that has various amenities, including a 770-foot “lazy river,” two four-story waterslides, tropical twister waterslides, and a 25-meter pool.

[to be updated] The Series 2016A Bonds, which are secured under the Trust Agreement on a parity with the Series 2020A Bonds, financed the Central District Police Station, a new 54,200 square foot police station serving the central portion of the County. The Central District Police Station is located on Davis Ford Road between Prince William County Parkway and Adsee Lane. The new Central District Police Station contains the Office of the Police Chief, Administration, Criminal Investigation Division and personnel from the Patrol Service Bureau. It is built to accommodate over 200 employees. As used in this Official Statement, “Projects” does not include facilities financed or refinanced with proceeds of the Series 2016A Bonds.

None of the Projects and facilities described under this caption are pledged as security for the repayment of the Series 2016A Bonds or the Series 2020A Bonds.

REFUNDING PLAN

The Authority will use a portion of the proceeds of the Series 2020A Bonds to provide funds to refund all or a portion of the outstanding 2010 Park Bonds (the “Refunding Candidates”), described in the following table.

Refunding Candidates*

<u>Series of Refunded Bonds</u>	<u>Maturity (April 15)</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP Number†</u>
2010 Park	2021	\$715,000		100%	741764 CJ1
2010 Park	2022	730,000		100	741764 CK8
2010 Park	2023	760,000		100	741764 CL6
2010 Park	2024	790,000		100	741764 CM4
2010 Park	2025	815,000		100	741764 CN2
2010 Park	2026	850,000		100	741764 CP7
2010 Park	2027	750,000		100	741764 CQ5

† CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only, and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2020A Bonds.

The purpose of the refunding is to achieve present value debt service savings. The Authority’s decision whether to refund any given Refunding Candidates is subject to prevailing market conditions at the time of the sale of the Series 2020A Bonds. The Authority may refund only certain Refunding Candidates if refunding such Refunding Candidates permits the Authority to meet certain savings targets. The Refunding Candidates, if any, that are refunded with proceeds of the Series 2020A Bonds are referred to as the “Refunded Bonds.” The final Refunded Bonds will be described in the final Official Statement.

Upon delivery and issuance of the Bonds by the Authority, proceeds thereof will be used to provide for the payment and redemption of the Refunded Bonds by depositing with U.S. Bank National Association, as paying agent for Refunded Bonds, cash in an amount sufficient to pay all principal and interest on the Refunded Bonds to their respective redemption dates.

ESTIMATED SOURCES AND USES OF FUNDS

The County currently estimates that the following will be the sources and uses of the proceeds of the Series 2020A Bonds:

Sources:

Principal amount of the Series 2020A Bonds	
Net Original Issue Premium/Discount	
Total	

Uses:

2020 Projects	
Deposit to pay Refunded Bonds	
Costs of Issuance ¹	
Total	

¹ Includes Underwriters' discount, legal, financial advisory, printing and other costs of issuing the Series 2020A Bonds.

THE SERIES 2020A BONDS

General

The Series 2020A Bonds will be dated their date of delivery and will bear interest at the rates and mature, subject to the rights of redemption described below, in the amounts and on the dates set forth on the inside cover pages of this Official Statement. The Series 2020A Bonds will be issuable as fully registered bonds in authorized denominations of \$5,000 and integral multiples thereof. The Regular Record Date for the Series 2020A Bonds will be the 15th day (whether or not a business day) of the calendar month next preceding the applicable Interest Payment Date.

Interest on the Series 2020A Bonds is payable on April 1 and October 1 of each year, commencing April 1, 2021 (each an "Interest Payment Date"). Interest is calculated based on a 360-day year consisting of twelve thirty-day months. Principal of the Series 2020A Bonds is payable at maturity, subject to prior redemption as described below under "–Redemption of Series 2020A Bonds." The Series 2020A Bonds will be issued in a book-entry only system of registration, and so long as The Depository Trust Company, New York, New York ("DTC"), or its nominee is the registered owner of the Series 2020A Bonds, payments of the principal, of, premium, if any, and interest on the Series 2020A Bonds will be payable directly to DTC. See "–Book-Entry Only System" below.

Redemption of Series 2020A Bonds

Optional Redemption

Except under the circumstances described in the following paragraph, the Series 2020A Bonds maturing on or before October 1, 2030, are not subject to redemption prior to their stated date of maturity. The Series 2020A Bonds maturing after October 1, 2030, are subject to redemption at the option of the Authority, in whole or in part, at any time on or after October 1, 2030, at a redemption price equal to the principal amount of the Series 2020A Bonds to be redeemed plus interest accrued thereon to the redemption date.

Extraordinary Optional Redemption

The Series 2020A Bonds are subject to extraordinary optional redemption, in whole or in part on any date, at a price equal to the principal amount thereof, together with interest thereon accrued to the date of redemption, upon the exercise by the Board of County Supervisors of the County of its option to prepay the purchase price of a Project or portion thereof, pursuant to the Installment Purchase Contract when proceeds of an insurance or condemnation award are received and such proceeds are not used to repair, reconstruct or restore the affected Project, as applicable. See Appendix C, "SUMMARY OF CERTAIN DOCUMENTS PROVISIONS – Second Supplemental Trust Agreement – *Extraordinary Optional Redemption*."

*Mandatory Sinking Fund Redemption**

[This caption and one or more of the following paragraphs will be included in the final Official Statement only if the successful bidder for the Series 2020A Bonds elects to combine, in accordance with the related Notice of Sale, two or more consecutive serial maturities into any number of term bonds.]

The Series 2020A Bonds maturing October 1, 20__, and October 1, 20__, are subject to mandatory redemption in part, on a pro rata basis, on August 1 in the years shown below, at a redemption price equal to the principal amount thereof, plus accrued interest, if any, to the date of redemption in an amount equal to the sinking fund installments for such Series 2020A Bond for such date:

Series 2020A Term Bonds Maturing October 1, 20__

<u>Years</u>	<u>Sinking Fund Installments</u>
20__	\$
20__	
20__†	

† Final Maturity

Series 2020A Term Bonds Maturing October 1, 20__

<u>Years</u>	<u>Sinking Fund Installments</u>
20__	\$
20__	
20__†	

† Final Maturity

Notice of Redemption. At least 30 days but not more than 90 days before the redemption date of any Series 2020A Bonds, whether in whole or in part, the Trustee will cause notice of any such redemption to be mailed by certified mail, return receipt requested, to all holders of Series 2020A Bonds to be redeemed in whole or in part. Any defect in such notice or the failure to mail such notice, shall not affect the validity of the proceedings for the redemption of other Series 2020A Bonds. While the Series

* Preliminary, subject to change.

2020A Bonds are held in the name of DTC or its nominee, such redemption notices will be sent to Cede & Co. and not to the beneficial owners of the Series 2020A Bonds. See “–Book-Entry Only System” below.

Any notice of optional or extraordinary optional redemption of the Series 2020A Bonds may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the redemption price plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time before the payment of the redemption price if any such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds on deposit by the Authority, the corresponding notice of redemption will be deemed to be revoked.

Book-Entry Only System

The following description of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2020A Bonds, payments of principal of and interest on the Series 2020A Bonds to The Depository Trust Company, New York, New York (“DTC”), its nominee, Direct Participants (as defined below) or Beneficial Owners (as defined below), confirmation and transfer of beneficial ownership interests in the Series 2020A Bonds and other bond-related transactions by and between DTC, the Direct Participants and Beneficial Owners is based solely on information furnished by DTC.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2020A Bonds. The Series 2020A Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2020A Bond certificate will be issued for each principal amount of Series 2020A Bonds of a maturity bearing interest at a specified interest rate, each in the aggregate principal amount of such quantity of Series 2020A Bonds, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2020A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020A Bonds on DTC's records. The ownership interest of each actual purchaser of the Series 2020A Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Series 2020A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bond certificates representing their ownership interests in the Series 2020A Bonds, except in the event that use of the book entry system for the Series 2020A Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2020A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Series 2020A Bonds may wish to ascertain that the nominee holding the Series 2020A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020A Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2020A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2020A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the County, on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, disbursement of such payments to Direct Participants will be the responsibility of DTC, and

disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2020A Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2020A Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2020A Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020A BONDS

Pledge of Trust Agreement

Under the Master Trust Agreement, the Authority will pledge and assign to the Trustee, as security for the payment of all Bonds issued under the Master Trust Agreement, all rights, title and interest of the Authority in and to the Contract, including its right to receive Basic Contract Payments and Additional Contract Payments (reserving its right to receive certain Additional Contract Payments and its rights to receive notices, reports, and other statements) under the Contract.

The Authority previously issued \$26,290,000 aggregate principal amount of its Prince William County Facilities Revenue and Refunding Bonds, Series 2016A (County Facilities Projects) (the "Series 2016A Bonds") under the Trust Agreement and a First Supplemental Trust Agreement, dated as of April 1, 2016. If additional Bonds are issued under the Master Trust Agreement, the Authority will in like manner assign to the Trustee all rights, title and interest of the Authority in and to the additional Payment Agreements between the Authority and the County, including the Authority's rights to receive Basic Contract Payments and Additional Contract Payments (exclusive of amounts equal to the Authority's expenses). See "Additional Bonds." The Series 2016A Bonds and the Series 2020A Bonds are secured on a parity with each other (and with any additional Bonds) under the Master Trust Agreement.

Basic Contract Payments and Additional Contract Payments

The County is obligated under the Contract to make Basic Contract Payments that are sufficient to pay the principal of and interest due on the Series 2020A Bonds. Under the Contract, the County has agreed also agreed to make Additional Contract Payments in amounts sufficient, among other purposes, to pay the Authority's expenses allocable to the Contract and for the Authority to pay timely the compensation and expenses of the Trustee. Under the Contract, the obligation of the County to make all Contract Payments and other payments required under the Contract in any fiscal year of the County is valid and binding but subject to and contingent upon the annual appropriation by the Board of County Supervisors of the County of funds for such purpose for such fiscal year. The failure of the County to pay all or any portion of the Contract Payments or any other amounts due under the Contract on account of a failure of the Board of County Supervisors of the County to appropriate such sums (an "Event of Nonappropriation") would not constitute a default or an event of default under the Contract. See "CERTAIN INVESTMENT CONSIDERATIONS."

Budget and Appropriation

The Authority has covenanted in the Trust Agreement that it will request the County annually for each fiscal year to budget, appropriate and pay to the Trustee an amount equal to the Basic Contract Payments and Additional Contract Payments payable by the County under all Payment Agreements, such as the Contract, in such fiscal year. The County has covenanted in the Contract that the County Executive shall include as a separate line item in each annual budget of revenues and disbursements presented to the Board of County Supervisors an item, appropriately designated, in an amount not less than an amount sufficient, in the judgment of the County Executive, to pay debt service on the Series 2020A Bonds and all other amounts payable during such fiscal year by the County pursuant to the Contract. Alternatively, the County Executive may include as a single line item in each annual budget of revenues and disbursements presented to the Board of County Supervisors an item designated “Basic and Additional Contract Payments – Master Trust Agreement” in an amount not less than an amount sufficient, in the judgment of the County Executive, to make all Payments scheduled to become due, and pay all other amounts payable by the County, pursuant to the Contract and all other Payment Agreements during such fiscal year.

If additional Bonds are issued under the Master Trust Agreement, the Authority will in like manner covenant in the applicable Payment Agreement that the County Executive shall include in each annual budget of revenues and disbursements presented to the Board of County Supervisors an item, appropriately designated, in an amount not less than an amount sufficient, in the judgment of the County Executive, to pay debt service on such additional Bonds and all other amounts payable during such fiscal year by the County pursuant to such Payment Agreement. See Appendix C, “SUMMARY OF CERTAIN DOCUMENTS PROVISIONS – Master Trust Agreement – Authorization and Issuance of Bonds” and “CERTAIN INVESTMENT CONSIDERATIONS.”

Limited Obligations

The Series 2020A Bonds are not a debt of the County, the Authority, the Commonwealth of Virginia or any political subdivision thereof, within the meaning of any constitutional, charter, or statutory debt limit or restriction, nor is the full faith and credit of the County, the Authority or the Commonwealth of Virginia pledged to the payment of the Series 2020A Bonds or the interest thereon. The Authority has no taxing power.

Additional Bonds

The Authority may also issue additional Bonds on a parity with the Series 2016A Bonds and the Series 2020A Bonds under the Master Trust Agreement for the financing or refinancing of any “Project.” Project is defined to include any facility that the Authority may finance under the Enabling Act. The Authority may also issue refunding Bonds (“Refunding Bonds”) on a parity with the Series 2016A Bonds and the Series 2020A Bonds for the purpose of providing funds, together with any other funds available therefor, for refunding all or any part of the Series 2016A Bonds, the Series 2020A Bonds or other Bonds or any other indebtedness incurred to provide a facility for use by the County.

Conditions precedent under the Master Trust Agreement to the Authority’s issuance of a series of additional or refunding Bonds on a parity with the Series 2016A Bonds and the Series 2020A Bonds include, among other requirements, the following:

(1) The execution and delivery of a “Payment Agreement,” as defined within the Master Trust Agreement, as a note, loan agreement, lease agreement, installment purchase contract or other contract or obligation, or combination thereof, by the express terms of which the County shall be

absolutely and unconditionally obligated to make payments on such dates and in such amounts as shall be sufficient for the Authority to make timely payment in each fiscal year of all amounts that may become due and payable on such Series of Bonds. Such payments under a Payment Agreement shall be subject only to the appropriation for such fiscal year by the Board of County Supervisors of funds for the purpose of the County's making such payments. Each Payment Agreement shall expressly provide that the County Executive shall include in each operating budget an item, appropriately designated, in an amount not less than an amount sufficient, in the judgment of the County Executive, to pay debt service on the applicable Series of Bonds and all other amounts payable during such fiscal year by the County pursuant to the Payment Agreement. Alternatively, the County Executive may include as a single line item in each annual budget of revenues and disbursements presented to the Board of County Supervisors an item designated "Basic and Additional Contract Payments – Master Trust Agreement" in an amount not less than an amount sufficient, in the judgment of the County Executive, to make all payments scheduled to become due, and pay all other amounts payable by the County under all Payment Agreements;

(2) The providing of an opinion or opinions of counsel for the County to the effect that (i) the Payment Agreement has been duly authorized, executed and delivered by the County, is in full force and effect and is valid and binding on the County in accordance with its terms and (ii) subject to the usual qualifications and exceptions, the express terms of the Payment Agreement that providing that the County's obligation to make payments to or for the account of the Authority on such dates and in such amounts as shall be sufficient for the Authority to make timely payment of (X) all amounts that may become due and payable on such Series of Bonds, (Y) all other amounts that may become payable under the terms of the Payment Agreement and (Z) all amounts payable under the Master Trust Agreement and the applicable Supplemental Trust Agreement to the extent not provided for in the applicable Payment Agreement or other Payment Agreements or otherwise provided for, are valid and binding subject only to the appropriation by the Board of County Supervisors of funds for the purpose of the County's making such payments;

(3) The receipt of written confirmation from each rating agency that has rated at the County's request any Series of outstanding Bonds that the issuance of such Series of Bonds will not cause its Credit Rating on any Series of Bonds (the underlying rating on such Bonds if such Bonds have been credit enhanced) outstanding immediately following such issuance to be lowered or withdrawn on account of the issuance of such Series of Bonds; and

(4) The providing of a certificate of a County Representative stating that the sum of the proceeds of the Series of Bonds, together with other amounts made available for the particular Project to be financed with such Series of Bonds and the estimated investment income on such money is not less than the estimated total Cost of the Project.

See "RATINGS" herein for the initial Credit Ratings assigned to the Series 2020A Bonds. Failure by any rating agency to confirm its Credit Rating on the outstanding Bonds on account of the proposed issuance of such additional Bonds would result in a failure to satisfy the requirements described in clause (3).

See Appendix C, "SUMMARY OF CERTAIN DOCUMENTS PROVISIONS – Master Trust Agreement – Authorization and Issuance of Bonds."

No Reserve Fund

No debt service reserve fund or other similar reserve fund has been or will be established with respect to the Series 2020A Bonds.

Casualty and Liability Insurance

The Contract requires that the County place in effect at a minimum the following insurance: (i) an “all risks” policy with coverage equal to 100% of the replacement cost value of the [2020 Projects/Properties], to be determined no less frequently than annually, and (ii) a general liability policy covering all operations and maintenance in connection with the Projects equal to \$5,000,000 combined aggregate limit per occurrence for personal injury and property damage liability. All such insurance must be issued by companies licensed to do business in the Commonwealth of Virginia with the Best’s Key Rating of at least A-:VI. In the alternative the County may self-insure for all or a portion of the insurance required under the Contract. See Appendix C, “SUMMARY OF CERTAIN DOCUMENTS PROVISIONS – Installment Purchase Contract – Insurance.”

Casualty, Condemnation

If all or a portion of a Project is damaged or destroyed by fire or taken by condemnation, the County is obligated either to (a) repair and restore such Project to substantially the same condition or utility value as existed prior to such event or (b) apply the Net Proceeds resulting from such event, together with other available money, to the payment of the allocable portion of the Series 2020A Bonds or in full, as applicable, either through redemption of Series 2020A Bonds as described herein under “THE SERIES 2020A BONDS – Redemption of Series 2020A Bonds – Extraordinary Optional Redemption” or a defeasance of such Series 2020A Bonds in accordance with the Trust Agreement. See Appendix C, “SUMMARY OF CERTAIN DOCUMENTS PROVISIONS – Installment Purchase Contract – County’s Obligation to Maintain and Repair the Properties.”

DEBT SERVICE REQUIREMENTS

The following table sets forth the combined debt service requirements for the Series 2016A Bonds and the Series 2020A Bonds:

Fiscal Year Ending June 30	Series 2016A Bonds		Series 2020A Bonds		Total Debt Service
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2021	\$	\$	\$	\$	\$
2022	1,170,000	717,800			
2023	1,170,000	671,000			
2024	1,170,000	612,500			
2025	1,170,000	554,000			
2026	1,170,000	495,500			
2027	1,170,000	437,000			
2028	1,165,000	378,625			
2029	1,165,000	326,200			
2030	1,165,000	279,600			
2031	1,165,000	233,000			
2032	1,165,000	186,400			
2033	1,165,000	142,713			
2034	1,165,000	101,938			
2035	1,165,000	61,163			
2036	1,165,000	20,388			
2037					
2038					
2039					
2040					
2041					
Total					

See Appendix A, "INFORMATION RELATING TO PRINCE WILLIAM COUNTY – Section III- Debt Administration" for a description of the other tax-supported debt of the County.
Totals may not add due to rounding.

CERTAIN INVESTMENT CONSIDERATIONS

The following is a summary of certain risk factors attendant to investment in the Series 2020A Bonds. In order to identify risk factors and make an informed investment decision, investors should review thoroughly all the information contained in this Official Statement.

Non-Appropriation or Default on the Contract

The County's obligation to make Basic Contract Payments and Additional Contract Payments is subject to appropriation of funds for that purpose. The likelihood that the Board of County Supervisors will continue to appropriate funds for Basic Contract Payments and Additional Contract Payments during each fiscal year may depend on a number of factors, including, but not limited to (a) the timely and successful completion of the construction of the Projects, (b) the continuing need of the County for the Projects, (c) political, economic and other factors affecting County government, (d) general fund revenues

and expenditures, (e) economic conditions in the County, (f) the usefulness or value of the Projects and (g) the availability of alternative facilities.

Non-Appropriation or Default on Other Payment Agreement

The Series 2020A Bonds will be on a parity with the Series 2016A Bonds and with any other Bonds issued under the Master Trust Agreement. Consequently, the failure of the Board of County Supervisors to appropriate funds for Basic Contract Payments and Additional Contract Payments under another Payment Agreement such as the Contract in respect of other County projects would result in a shortfall in the amounts required to pay debt service on all the Bonds outstanding under the Master Trust Agreement. Consequently, investors must consider the same factors discussed in the paragraph above not only in the context of the Contract, the Prior Projects and 2020 Projects, but also in the context of other Payment Agreements and other Projects and weigh the adequacy of the protection afforded by the requirements in the Master Trust Agreement for the issuance of additional Bonds. As of the date of issuance of the Series 2020A Bonds, the Series 2016A Bonds and the Series 2020A Bonds will be the only other Bonds outstanding under the Master Trust Agreement. See “SUMMARY OF CERTAIN DOCUMENTS PROVISIONS – Master Trust Agreement – Authorization and Issuance of Bonds.”

TAX MATTERS

Opinion of Bond Counsel

The Authority and the County have covenanted to comply with applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the exclusion from gross income of the interest on the Series 2020A Bonds for purposes of federal income taxation. In the opinion of Norton Rose Fulbright US LLP, Bond Counsel, under current law and assuming continuing compliance by the County and the Authority with such covenants and requirements of the Code regarding, among other matters, the use, expenditure and investment of Series 2020A Bond proceeds and the timely payment of certain investment earnings to the United States Treasury, interest on the Series 2020A Bonds will not be included in the gross income of the owners thereof for federal income tax purposes. Failure by the County or the Authority to comply with such covenants and requirements may cause interest on the Series 2020A Bonds to be includable in the gross income of the owners thereof retroactive to the date of issue of the Series 2020A Bonds. No opinion is rendered by Bond Counsel as to the effect on the exclusion from gross income of the interest on the Series 2020A Bonds for federal income tax purposes of any action taken or not taken without the approval of Bond Counsel or in reliance upon the advice or opinion of counsel other than Bond Counsel.

Interest on the Series 2020A Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax under the Code. The Code contains other provisions (some of which are noted below) that could result in tax consequences, as to which no opinion will be rendered by Bond Counsel, as a result of ownership of the Series 2020A Bonds or the inclusion in certain computations of interest that is excluded from gross income.

Original Issue Discount

The excess, if any, of the amount payable at maturity of any maturity of the Series 2020A Bonds purchased as part of the initial public offering over the issue price thereof constitutes original issue discount. The amount of original issue discount that has accrued and is properly allocable to an owner of any maturity of the Series 2020A Bonds with original issue discount (a “Discount Bond”) will be excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2020A Bonds. In general, the issue price of a maturity of the Series 2020A Bonds is the first price at

which a substantial amount of Series 2020A Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers), which may differ from the price shown on the inside cover page of this Official Statement, and the amount of original issue discount accrues in accordance with a constant yield method based on the compounding of interest. A purchaser's adjusted basis in a Discount Bond is to be increased by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bonds for federal income tax purposes.

Original issue discount that accrues in each year to an owner of a Discount Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed herein. Consequently, an owner of a Discount Bond should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral federal income tax consequences although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

The accrual of original issue discount and its effect on the redemption, sale, or other disposition of a Discount Bond that is not purchased in the initial offering at the first price at which a substantial amount of such Series 2020A Bonds is sold to the public may be determined according to rules that differ from those described above. Owners of Discount Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the amount of original issue discount with respect to such Discount Bonds and with respect to state and local tax consequences of owning and disposing of such Discount Bonds.

Bond Premium

The excess, if any, of the tax basis of Series 2020A Bonds purchased as part of the initial public offering to a purchaser (other than a purchaser who holds such Series 2020A Bonds as inventory, stock in trade, or for sale to customers in the ordinary course of business) over the amount payable at maturity is "Bond Premium." Bond Premium is amortized over the term of such Series 2020A Bonds for federal income tax purposes (or, in the case of a bond with bond premium callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). Owners of such Series 2020A Bonds are required to decrease their adjusted basis in such Series 2020A Bonds by the amount of amortizable Bond Premium attributable to each taxable year such Series 2020A Bonds are held. The amortizable bond premium on such Series 2020A Bonds attributable to a taxable year is not deductible for federal income tax purposes; however Bond Premium on such Series 2020A Bonds is treated as an offset to qualified stated interest received on such Series 2020A Bonds. Owners of such Series 2020A Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the treatment of Bond Premium upon sale, redemption or other disposition of such Series 2020A Bonds and with respect to state and local income tax consequences of owning and disposing of such Series 2020A Bonds.

Backup Withholding

Interest paid on the Series 2020A Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. While this reporting requirement does not by itself, affect the excludability of interest on the Series 2020A Bonds from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Series 2020A Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (i) are not "exempt recipients," and (ii) either fail to provide certain identifying information (such as the beneficial owner's taxpayer identification number) in the required manner or have been identified by the Internal Revenue Service as

having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's federal income tax liability provided the required information is furnished to the Internal Revenue Service.

Other Tax Consequences

Under the Enabling Act, the income on the Series 2020A Bonds, including any profit made on the sale thereof, is exempt from all taxation by the Commonwealth or any political subdivision thereof.

The Code contains other provisions (some of which are noted below) that could result in tax consequences, upon which Bond Counsel expresses no opinion, as a result of ownership of the Series 2020A Bonds or the inclusion in certain computations of interest on the Series 2020A Bonds that is excluded from gross income for purposes of federal income taxation.

PROSPECTIVE PURCHASERS OF THE SERIES 2020A BONDS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE APPLICABILITY AND IMPACT OF ANY SUCH COLLATERAL TAX CONSEQUENCES.

Ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S Corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit.

Future Tax Developments

Future or pending legislative proposals, if enacted, regulations, rulings or court decisions may cause interest on the Series 2020A Bonds to be subject, directly or indirectly, to federal income taxation or to state or local income taxation, or may otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. Legislation or regulatory actions and future or pending proposals may also affect the economic value of the federal or state tax exemption or the market value of the Series 2020A Bonds. Prospective purchasers of the Series 2020A Bonds should consult their tax advisors regarding any future, pending or proposed federal or state tax legislation, regulations, rulings or litigation as to which Bond Counsel expresses no opinion.

RATINGS

The Series 2020A Bonds have been rated “__” by Fitch Ratings, Inc. (“Fitch”), and “__” by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC (“S&P”). The County requested that the Series 2020A Bonds be rated and furnished certain information to Fitch and S&P, including certain information that is not included in this Official Statement. These ratings are not a recommendation to buy, sell or hold the Series 2020A Bonds. Generally, rating agencies base their ratings on such materials and information, as well as investigations, studies and assumptions of the rating agencies.

Such ratings may be changed at any time and no assurance can be given that they will not be revised downward or withdrawn entirely by any or all of such rating agencies, if, in the judgment of any or all, circumstances so warrant. Such circumstances may include, without limitation, change in or

unavailability of information relating to the County. Any such downward revision or withdrawal of any of such ratings may have an adverse effect on the market price of the Series 2020A Bonds.

LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Series 2020A Bonds are subject to the approving opinion of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel, the proposed form of whose opinion is attached as Appendix D. Certain legal matters will be passed upon for the Authority by McGuireWoods LLP, McLean, Virginia, and for the County by Michelle R. Robl, Esquire, County Attorney.

LEGALITY FOR INVESTMENTS

Under the Enabling Act, the Series 2020A Bonds are legal and authorized investments for banks, trustees, trust companies, building and loan associations, insurance companies, fiduciaries, trustees, guardians for all public funds of the Commonwealth of Virginia or other political corporations or subdivisions of the Commonwealth of Virginia, and are eligible to secure the deposit of all public funds of cities, towns, counties, school districts or other political corporations or subdivisions of the Commonwealth of Virginia.

LITIGATION

No litigation is pending or, to the Authority's knowledge, threatened (a) to restrain or enjoin the issuance, sale or delivery of any of the Series 2020A Bonds, the application of the proceeds thereof as provided in the Trust Agreement or the collection of revenues pledged under the Trust Agreement, (b) in any way contesting or affecting any authority for the issuance or validity of the Series 2020A Bonds or the validity of the Trust Agreement, (c) in any way contesting the creation, existence or powers of the Authority or (d) that, if determined adversely against the Authority, would have a material adverse effect on the Authority.

See Appendix A for a description of litigation affecting the County.

FINANCIAL ADVISOR

PFM Financial Advisors LLC, Arlington, Virginia, is serving as financial advisor (the "Financial Advisor") in connection with the issuance of the Series 2020A Bonds. Although the Financial Advisor assisted in the preparation and review of this Official Statement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Financial Advisor is a financial advisory organization and is not engaged in the business of underwriting municipal securities.

SALE AT COMPETITIVE BIDDING

The Bonds will be offered for sale at competitive bidding on a date determined pursuant to the provisions of the Notice of Sale relating to the Bonds (See "Appendix F – Notice of Sale"). After the Bonds have been awarded, the Authority will issue an Official Statement in final form to be dated the date of the award. The Authority will deem the Official Statement in final form as of its date, and the Official Statement in final form will be a "Final Official Statement" within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Official Statement in final form will include, among other matters, the identity of the winning bidder (the "Underwriters"), the expected selling compensation

to the Underwriters and other information on the interest rates and offering prices or yields of the Bonds, all as supplied by the Underwriters.

CONTINUING DISCLOSURE UNDERTAKING

The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the Series 2020A Bonds, and the Authority will not provide any such information. The County has undertaken all responsibilities for continuing disclosure for the benefit of the Owners, and the Authority shall have no liability to the Owners or any other person with respect to such disclosures.

The Securities and Exchange Commission has adopted Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “Rule”). In general, the Rule prohibits an underwriter from purchasing or selling municipal securities such as the Series 2020A Bonds, unless it has determined that the issuer of such securities or other persons deemed to be material “obligated persons” have committed to provide to The Electronic Municipal Market Access (“EMMA”) system administered by the Municipal Securities Rulemaking Board (i) on an annual basis, certain financial information and operating data (“Annual Reports”), and, if available, audited financial statements, and (ii) notice of various events described in the Rule, if material (“Event Notices”).

The County will covenant in the Continuing Disclosure Agreement (the form of which appears in Appendix E), to be dated the date of delivery of the Series 2020A Bonds, for the benefit of the holders of the Series 2020A Bonds, to provide Annual Reports to EMMA, annually, not later than March 31 of each year, commencing March 31, 2021. Similarly, the County will provide Event Notices with respect to the Series 2020A Bonds to EMMA.

Except as described below, the County will represent as of the date of delivery of the Series 2020A Bonds that it has complied in all material respects with its undertakings regarding the Rule in the five years preceding the date of the Official Statement.

As a condition to the issuance of various series of bonds or certificates of participation issued by Prince William County and other entities, Prince William County has agreed pursuant to several continuing disclosure undertakings entered into pursuant to the Rule (the “County’s Undertakings”) to file with EMMA the Prince William County’s Audited Financial Statements and other certain other information (collectively, the “Annual Filings”) within the designated timeframe set forth in such undertaking, and currently the earliest deadline for such filings is within 210 days of the end of each fiscal year. Certain Annual Filings were filed pursuant to the County Undertakings but not correctly cross-referenced to all applicable bonds. The County has implemented procedures to ensure that future filing deadlines required by the County’s Undertakings are met. In addition, the County filed its annual financial information and unaudited financial statements and draft Comprehensive Annual Financial Report (“CAFR”) for the year ended June 30, 2019, on January 25, 2020, which was prior the deadline for such filing under County’s Undertakings. The County then filed its audited financial statements and CAFR for the year ended June 30, 2019, when available on March 3, 2020.

MISCELLANEOUS

All information contained in this Official Statement is subject, in all respects, to the complete body of information contained in the original sources thereof, and no guarantee, warranty, or other representation is made concerning the accuracy or completeness of the information herein. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and

all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

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PRELIMINARY OFFICIAL STATEMENT DEEMED FINAL

The distribution of this Preliminary Official Statement has been duly authorized by the Authority. The Board of Supervisors of the County deems this Preliminary Official Statement final as of its date within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, except for the omission of certain pricing and other information permitted to be omitted by Rule 15c2-1.

**INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF
PRINCE WILLIAM**

By: _____
Chairman

APPENDIX A

Information Relating to Prince William County

APPENDIX B

Financial Statements of Prince William County for the Year Ended June 30, 2019, and Independent Auditor's Report¹

¹ This Appendix comprises the County's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019. In order to preserve cross-references within such pages, this Appendix has not been repaginated and, accordingly, retains the original pagination.

APPENDIX C

SUMMARY OF CERTAIN DOCUMENTS PROVISIONS

The following is a summary of certain provisions of the Master Trust Agreement, the Second Supplemental Trust Agreement and the Installment Purchase Contract not otherwise summarized in the forepart of this Official Statement. Reference is made to the respective sections in the applicable documents for a complete recitation of such provisions.

DEFINITIONS

The following are definitions of certain terms used in the Master Trust Agreement, the Second Supplemental Trust Agreement and the Installment Purchase Contract and not otherwise defined in this Official Statement:

“ADC Building” means, collectively, the buildings comprising phase two of the expansion of the County’s Adult Detention Center to be constructed on the ADC Property, as the same may be improved as part of the ADC Project.

“ADC Project” means phase two of the expansion of the County’s Adult Detention Center financed with a portion of the proceeds of the Series 2020A Bonds.

“ADC Property” means the land and all improvements, comprising the site of the ADC Project located at 9320 Lee Avenue, Manassas, Virginia.

“Additional Contract Payments” means the Additional Payments that the County has agreed to make under the Installment Purchase Contract for all other amounts (other than Basic Contract Payments) payable by the County to the Authority relating to the Series 2020A Bonds, including any Bonds refunding the Series 2020A Bonds.

“Additional Payments” means the amounts payable by the County to or for the account of the Authority and defined as such by the terms of each Payment Agreement entered into. Additional Contract Payments are Additional Payments.

“Allocated Bonds” means those Series 2020A Bonds allocated by the County, in a certificate of a County Representative delivered to the Trustee, to the ADC Property, the Fire Station Property, the Animal Shelter Property or the 2010 Property, as the case may be, in an event that necessitates an “Extraordinary Optional Redemption” as described in the Second Supplemental Trust Agreement.

“Animal Shelter Building” means the animal shelter building to be constructed on the Animal Shelter Property, as the same may be improved as part of the Animal Shelter Project.

“Animal Shelter Project” means the a new animal shelter at Independent Hill on Dumfries Road in the County financed with a portion of the proceeds of the Series 2020A Bonds.

“Animal Shelter Property” means the land and all improvements, comprising the site of the new Animal Shelter Project located at Independent Hill on Dumfries Road in the County.

“Authority” means the Industrial Development Authority of the County of Prince William.

“Authority Liabilities” means all expenses and obligations of the Authority under the Master Trust Agreement (other than the Bonds and the principal, interest and any redemption premiums thereon and amounts paid or provided for from the proceeds of the Bonds) including, without limitation: (i) Trust Agreement Expenses and (ii) any amount payable the Authority to the United States of America as Rebate Liability.

“Authority Representative” means each of the persons at the time designated to act on behalf of the Authority in a written certificate furnished to the Trustee, any Paying Agent and the Bond Registrar, which certificate is to contain the specimen of signatures of such person and be executed on behalf of the Authority by the Chairman.

“Basic Contract Payments” means the Basic Payments that the County has agreed to make under the Installment Purchase Contract sufficient to pay the principal of and interest on the Series 2020A Bonds and any other Bonds issued to pay the costs of the Projects including any Bonds refunding the Series 2020A Bonds.

“Basic Payments” means the amounts payable by the County to or for the account of the Authority and defined as such by the terms of each Payment Agreement entered into, as adjusted as provided therein.

“Board of Directors” means the governing body of the Authority or any successor entity assuming the function thereof.

“Bond Registrar” means the Bond Registrar at the time serving as such under the Master Trust Agreement and performing the duties set forth in the Master Trust Agreement and in the applicable Supplemental Trust Agreement, whether the original or a successor Bond Registrar.

“Bond Year” means the period commencing on the second day of July of any calendar year and ending on the first day of July of the following calendar year or such other annual period commencing and ending on the dates specified in a Supplemental Trust Agreement.

“Bonds,” as used in the Installment Purchase Contract, means the Series 2020A Bonds and any additional revenue bonds issued by the Authority in accordance with the Trust Agreement to provide additional funds for the Cost of the Projects or to refund Bonds issued and outstanding under the terms of the Trust Agreement. “Bonds,” as used in the Contract, does not include “Bonds” as defined in the Master Trust Agreement that are not payable from Contract Payments under the Contract.

“Bonds,” as used in the Master Trust Agreement, means the Series 2016A Bonds, the Series 2020A Bonds, and all additional Bonds and all Refunding Bonds issued under the Master Trust Agreement.

“Buildings” means collectively collectively the ADC Building, the Animal Shelter Building, the Fire Station Building, and any and all buildings on the 2010 Properties.

“Business Day” means any day on which the New York Stock Exchange is open, other than a Saturday or Sunday and other than a day on which commercial banks (including the Trustee, the Bond Registrar, any Credit Bank, any Insurer and any Paying Agent) are authorized to close in the Commonwealth of Virginia or in New York, New York.

“Chairman” means the Chairman or the Vice Chairman of the Board of Directors or any person succeeding to the principal functions thereof or temporarily designated by the Board to serve *pro tempore* as the Chairman.

“Contract” or **“Installment Purchase Contract”** means the Installment Purchase Contract, dated as of October 1, 2020, by and between the County and the Authority relating to the Projects and the Series 2020A Bonds as the same may be supplemented and amended.

“Contract Payments” means the amounts, designated as Basic Contract Payments and Additional Contract Payments, payable by the County to or for the account of the Authority pursuant to the Contract.

“Construction Subfund” means the County Facilities Projects Construction Subfund created and so designated by the Master Trust Agreement.

“Cost” as applied to any Project means, without intending thereby to limit or restrict any proper definition of such word under the Enabling Act, all items of cost set forth in the Master Trust Agreement.

“County Facilities Projects Fund” means the discrete enterprise fund of the Authority created by the Master Trust Agreement.

“County Representative” means each of the persons at the time designated to act on behalf of the County in a written certificate furnished to the Trustee, any Paying Agent and the Bond Registrar, which certificate contains the specimen signature(s) of such person(s) and is signed on behalf of the County by the County Executive. Such person(s) may or may not be officials or employees of the County.

“Credit Bank” means as to any particular Series of Bonds, the person (other than an Insurer) providing a letter of credit, a line of credit, a guaranty or another credit- or liquidity -enhancement facility, as designated in the Supplemental Trust Agreement providing for the issuance of such Bonds.

“Credit Facility” means as to any particular Series of Bonds, a letter of credit, a line of credit, a guaranty or another credit- or liquidity-enhancement facility (other than an insurance policy issued by an Insurer), as approved in the Supplemental Trust Agreement providing for the issuance of such Bonds.

“Credit Rating” means the rating, typically a letter or letters, such as “Aa” or “AA,” with or without a modifier such as “1” or “2” or “+” or “-,” that express the opinion of a Rating Agency as to the credit quality of the Bonds without regard to any credit enhancement such as bond insurance, letters of credit or similar arrangements supporting the payment of debt service on the Bonds.

“Debt Service Subfund” means the County Facilities Projects Debt Service Subfund created and so designated by the Master Trust Agreement.

“[D]efault” means any condition or event that constitutes or would, after notice or lapse of time, or both, constitute an Event of Default under the Contract.

“Defaulted Interest” means any interest on any Bond that is payable, but is not punctually paid or duly provided for, on any Interest Payment Date.

“Defeasance Obligations” means, except as otherwise provided in a Supplemental Trust Agreement for the related Series of Bonds, Government Obligations and the obligations described in clause (C) of the definition of “Investment Obligations.”

“Deposit Day” means, for the Series 2020A Bonds, the last Business Day of each March and September.

“Due Date” means the last date on which payment is due without penalty, premium or interest.

“Effective Date” means the date of delivery of the Series 2020A Bonds.

“Enabling Act” means the Industrial Development and Revenue Bond Act, Title 15.2 Chapter 49 of the Code of Virginia, as amended and other applicable law.

“Escrow Agent” means U.S. Bank National Association, as escrow agent under the Escrow Deposit Agreement.

“Escrow Agreement” means the Escrow Deposit Agreement, dated October __, 2020, between the County and the Escrow Agent, relating to the Bonds to be Refunded.

“Event of Default” means with respect to the Master Trust Agreement any of the events described in this Appendix under “THE TRUST AGREEMENT – Events of Default,” and with respect to the Contract means any of those events described in this Appendix under “THE INSTALLMENT PURCHASE CONTRACT – Events of Default.”

“Event of Non-Appropriation” means the event described in this Appendix under “THE INSTALLMENT PURCHASE CONTRACT – Non Appropriations.”

“First Supplemental Trust Agreement” means the First Supplemental Trust Agreement dated as of April 1, 2016, between the Authority and the Trustee authorizing and securing the issuance of the Series 2016A Bonds, as the same may be supplemented and amended as permitted thereby.

“Fire Station Building” means the fire station building to be constructed on the Fire Station Property, as the same may be improved as part of the Fire Station Project.

“Fire Station Project” means the construction of Groveton Station (#22), a Fire and Rescue station to be located at 7500 Century Park Drive financed with a portion of the proceeds of the Series 2020A Bonds.

“Fire Station Property” means the land and all improvements, comprising the site of the Fire Station Project located at 7500 Century Park Drive in the west end of the County.

“Government Obligations” means direct obligations of, or obligations the timely payment of the principal of and the interest on which are fully and unconditionally guaranteed by, the United States of America, or evidences of indirect ownership of such obligations.

“Holder” means a person in whose name a Bond (or one or more Predecessor Bonds) is registered on the registration books provided for in the Master Trust Agreement.

“Improvement Subfund” means the County Facilities Projects Improvement Subfund so created and designated by the Master Trust Agreement.

“Indebtedness” means (a) the Bonds and (b) all other indebtedness outstanding that may have been issued or incurred under the provisions of the Enabling Act and the Master Trust Agreement, whether or not issued under the provisions of the Master Trust Agreement.

“Insurer” means, as to any particular maturity or any particular Series of the Bonds, the person undertaking to insure such Bonds, as designated in the Supplemental Trust Agreement providing for the issuance of such Bonds.

“Interest” means interest on the Purchase Price of the Projects. Such interest includes interest at the same rates payable on the same dates as the interest payable and redemption premium by the Authority on the Bonds.

“Interest Payment Date” means, for purposes of the Series 2020A Bonds, each April 1 and October 1, commencing April 1, 2021.

“Interest Requirement” means for any Bond Year, as applied to Bonds of a Series, means the total of the sums that would be deemed to accrue on such Bonds during such Bond Year if the interest on the current interest Bonds of such Series were deemed to accrue daily during such year in equal amounts; provided, however, that interest expense is to be excluded from the determination of Interest Requirement to the extent that such interest is to be paid from the proceeds of Bonds or from investment (but not reinvestment) thereof if such proceeds have been invested in Defeasance Obligations and to the extent such earnings may be determined precisely. The Authority may provide in a Supplemental Trust Agreement that interest expense on Credit Facilities drawn upon to purchase but not to retire Bonds, to the extent such interest exceeds the interest otherwise payable on such Bonds be included in the determination of Interest Requirement. If interest is not payable at a single numerical rate for the entire term of such Bonds, then “Interest Requirement” is to have the appropriate meaning assigned thereto by the applicable Supplemental Trust Agreement permitted by the Master Trust Agreement.

“Investment Obligations” means Government Obligations and, to the extent from time to time permitted by the laws of the State, (A) the obligations of (i) Export-Import Bank, (ii) Government National Mortgage Association, (iii) Federal Housing Administration, (iv) Farmers Home Administration and (v) any other agency or instrumentality of the United States of America now or hereafter created which obligations are backed by the full faith and credit of the United States of America; (B) the obligations of (i) Federal National Mortgage Association, (ii) Federal Intermediate Credit Banks, (iii) Federal Banks for Cooperatives, (iv) Federal Land Banks, (v) Federal Home Loan Banks, (vi) Federal Financing Bank, (vii) Federal Farm Credit System and (viii) Federal Home Loan Mortgage Corporation; (C) obligations of state or local government bond issuers, provision for the payment of the principal of and interest on which has been made by deposit with an escrow agent or trustee of Government Obligations the principal of and interest on which when due will be sufficient to pay the principal of and interest on such state or local government obligations when due, which obligations have been rated by Moody’s Investors Service and Standard & Poor’s Rating Services in one of two highest rating categories (without regard to gradations such as “plus” or “minus,” of such categories); (D) certificates of deposit or time deposits of any bank, any branch of any bank, trust company or national banking association (including any Trustee, Bond Registrar, Paying Agent and their affiliates) that has a combined capital, surplus and undivided profits not less than \$50,000,000; provided, however, that such certificates of deposit or time deposits are fully secured, to the extent not secured by the Federal Deposit Insurance Corporation, by Government Obligations or by obligations described in (A) or (C) above; (E) any repurchase agreement that is with (i) a bank or trust company (including any Trustee, Bond Registrar, Paying Agent and their affiliates) that has a combined capital, surplus and undivided profits not less than \$50,000,000, or (ii) a government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York for Government Obligations or obligations described in

(A) above and having on the date of the repurchase agreement a fair market value equal to at least 100% of the amount of the repurchase obligation of the bank or trust company; provided, however, that such obligations purchased must be transferred to the Trustee or a third party agent by physical delivery or by an entry made on the records of the issuer of such obligations; (F) any and all investments authorized by the Investment of Public Funds Act (Section 2.2-4500 *et seq.* Code of Virginia, 1950, as amended) including in particular but without limitation, subject to the ratings requirements set forth below, shares in any money market mutual fund (including those of the Trustee or any of its affiliates) registered under the Investment Company Act of 1940, as amended, that have been rated “AAAm” by Standard & Poor’s Ratings Services or Aaa by Moody’s Investors Service, Inc. so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations; and (G) any pooled investment fund organized in accordance with the Government Non-Arbitrage Act (Code of Virginia 2.2-4700 *et seq.*). Any investment in a repurchase agreement will be considered to mature on the date the bank or trust company providing the repurchase agreement is obligated to repurchase the Investment Obligations. Any investment in obligations described in (A), (B), (C) and (F) (to the extent not described in (D) or (E)) above may be made in the form of an entry made on the records of the issuer of the particular obligation.

“Late Charge Rate” means the true interest cost rates on the Bonds.

“Master Trust Agreement” means the Master Trust Agreement, dated as of April 1, 2016, between the Authority and the Trustee, authorizing the issuance of Bonds, including Refunding Bonds, as supplemented and amended as permitted thereby.

“Net Proceeds,” when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after the payment of all out-of-pocket expenses of the applicable parties incurred in the collection of such gross proceeds.

“[O]utstanding” means all Bonds that have been authenticated and delivered by the Bond Registrar under the Master Trust Agreement, except:

- (i) Bonds paid or redeemed or delivered to or acquired by the Bond Registrar for cancellation;
- (ii) Bonds for which the Bond Registrar or any Trustee or Paying Agent holds sufficient money or Defeasance Obligations the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of, and the interest and redemption premium, if any, on such Bonds to their maturity date or dates or dates fixed for redemption pursuant to Sinking Fund Requirements or to the date or dates fixed for their optional redemption; and
- (iii) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Master Trust Agreement;

provided, however, that in determining whether the Holders of the requisite principal amount of outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver under the Master Trust Agreement, Bonds owned by the Authority or any other obligor upon the Bonds are to be disregarded and deemed not to be outstanding, except that the term “obligor upon the Bonds” will not include any Insurer or any Credit Bank and except that, in determining whether the Bond Registrar will be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds that the Bond Registrar knows to be so owned will be so disregarded.

Bonds so owned that have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Bond Registrar the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Authority or any other obligor upon the Bonds except a Credit Bank or an Insurer.

"Paying Agent" means, for any Series of Bonds, the paying agent designated as such and performing the duties set forth in the Supplemental Trust Agreement providing for the issuance of such Bonds.

"Payment Agreement" means a note, loan agreement, lease agreement, installment purchase contract or other contract or obligation, or combination thereof, by the express terms of which the County will be absolutely and unconditionally obligated to make Payments on such dates and in such amounts as are sufficient for the Authority to make timely payment of all amounts that may become due and payable on a Series of Bonds, subject only to the appropriation by the Board of County Supervisors of the County of funds for the purpose of the County's making such payments. The Payment Agreement is to expressly provide that the County Executive will include as a separate line item in each operating budget an item, appropriately designated, in an amount not less than an amount sufficient, in the judgment of the County Executive, to pay debt service on the applicable Series of Bonds and all other amounts payable during such fiscal year by the County pursuant to the Payment Agreement. Alternatively, the County Executive may include as a single line item in each annual budget of revenues and disbursements presented to the Board of Supervisors an item designated "Basic and Additional Payments – Master Trust Agreement" in an amount not less than an amount sufficient, in the judgment of the County Executive, to make all payments scheduled to become due, and pay all other amounts payable by the County under all Payment Agreements. The Contract is a Payment Agreement.

"Payment of the Allocated Bonds" means payment of the principal of and interest on all the Allocated Bonds in accordance with their terms, whether through payment at maturity or purchase and cancellation or redemption or provision for such payment in such a manner that the Bonds will be deemed to have been paid under the applicable provisions of the Master Trust Agreement.

"Payment of the Bonds" means payment of the principal of and interest on all the Bonds in accordance with their terms, whether through payment at maturity or purchase and cancellation or redemption or provision for such payment in such a manner that the Bonds will be deemed to have been paid under the applicable provisions of the Master Trust Agreement.

"Payments" means payments of money that the County is or may become obligated to make under a Payment Agreement.

"Permitted Encumbrances" has the meaning set forth in the Contract.

"Pledged Revenues," for the Series 2020A Bonds, means, (a) all payments of Basic Payments, (b) all payments of Additional Payments except to the extent required to pay Authority Liabilities and (c) the income from the investment under the provisions of the Master Trust Agreement of the money held for the credit of the various subfunds and accounts created under the Master Trust Agreement. Pledged Revenues will not include the proceeds of any insurance, other than as mentioned above, or any capital gifts, grants, donations or contributions or borrowed funds. Payments by any Insurer or Credit Bank with respect to debt service on the Bonds will not constitute Pledged Revenues. Any lump sum payment or prepayment received by the Trustee and not accompanied by instructions from the Authority Representative to the contrary is to be reserved by the Trustee in the County Facilities Projects Fund, disbursed to the Debt Service Subfund, and recognized as Pledged Revenues, semi-annually over the appropriate accrual period; provided, however, that if the Authority Representative directs, such lump

sum payment or prepayment is to be applied to the redemption or defeasance of the Bonds in accordance with such direction.

“Predecessor Bonds” of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond. For purposes of this definition, any Bond authenticated and delivered under the Master Trust Agreement in lieu of a mutilated, destroyed, stolen or lost Bond will be deemed to evidence the same debt as the mutilated, destroyed, stolen or lost Bond.

“Principal and Interest Requirements,” for any Bond Year, means the sum of the Principal Requirement and the Interest Requirement for such year.

“Principal Payment Date,” for purposes of the Series 2020A Bonds, means mean April 1, 2021, and each October 1 thereafter for the Series 2020A Bonds upon which the principal of the Series 2020A Bonds is stated to mature or upon which the principal of any Term Bond is subject to mandatory sinking fund redemption.

“Principal Requirement” means, for any Series of Bonds and for any Bond Year the sum of the principal scheduled to become due in such Bond Year whether at stated maturity or by mandatory sinking fund redemption.

“Projects,” relating to the Series 2020A Bonds means the 2010 Projects and the 2020 Projects.

“Project(s),” for Bonds other than the Series 2020A Bonds, includes the acquisition, improving, equipping, furnishing and constructing of any Authority facility financed or refinanced through the issuance of Bonds.

“Properties,” means, collectively, collectively the ADC Property, the Animal Shelter Property, the Fire Station Property and the 2010 Properties.

“Purchase Price,” with respect to the Projects for the Series 2020A Bonds, means an amount equal to the principal amount of the Series 2020A Bonds and any additional Bonds (as such term is defined in the Contract).

“Rebate Liability” means the amount or amounts periodically determined by the firm of independent certified public accountants or other financial consultants experienced in the calculation of Rebate Liability and so designated by an Authority Representative to be set aside in the Improvement Subfund and the amount or amounts to be paid to the United States of America pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended.

“Refunding Bonds” means Bonds authorized by the Master Trust Agreement to refund Bonds or other indebtedness.

“Second Supplemental Trust Agreement” means the Second Supplemental Trust Agreement dated as of October 1, 2020, between the Authority and the Trustee authorizing and securing the issuance of the Series 2020A Bonds, as the same may be supplemented and amended as permitted thereby.

“Serial Bonds” means the Bonds that are stated to mature in consecutive annual installments and that are so designated in a Supplemental Trust Agreement.

“Series” means Bonds identified as a separate series which are authenticated and delivered on original issuance and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to any Supplemental Trust Agreement.

“Sinking Fund Requirements” means, with respect to Term Bonds of each maturity, the principal amount fixed or computed for the retirement of such Term Bonds by purchase or redemption, as contemplated in the Master Trust Agreement and any Supplemental Trust Agreement.

“State” means the Commonwealth of Virginia.

“Supplemental Trust Agreement” means an amendment or supplement, executed by the Authority and the Trustee, to the Master Trust Agreement, and in conformity with the provisions of the Master Trust Agreement, providing for the issuance of a Series of Bonds and setting forth the provisions and details thereof not inconsistent therewith including any amendments and supplements thereto permitted thereby and any other such agreement permitted by the Master Trust Agreement.

“Term” means the period of time commencing on the Effective Date and ending upon the Payment of the Bonds.

“Term Bonds” means all or some of the Bonds of a Series, other than Serial Bonds, stated to be payable by their terms on one or more dates and so designated in a Supplemental Trust Agreement.

“Trust Agreement,” for purposes of the Contract, means the Master Trust Agreement as generally amended and supplemented from time to time, including by the Second Supplemental Trust Agreement, and by any Supplemental Trust Agreement entered into in connection with the issuance of additional Bonds issued to provide additional funds for the Cost of the Project or to refund any of these Bonds, each between the Authority and the Trustee. “Trust Agreement” will not include Supplemental Trust Agreements entered into in connection with the issuance of Additional or Refunding Bonds under the Master Trust Agreement that are not related to the Contract or the Properties.

“Trust Agreement Expenses” means those fees and expenses of the Trustee contemplated by the Master Trust Agreement and the fees and expenses of any Paying Agent and the Bond Registrar that has been approved in writing by the Authority Representative.

“Trustee” means the trustee at the time acting as such under the Master Trust Agreement and any Supplemental Trust Agreement whether the original or a successor trustee.

“2010 Park Bonds” means those certain outstanding Park Facilities County Contribution Revenue Bonds, Series 2010 issued by the Prince William County Park Authority to be refunded by a portion of the Series 2020A Bonds.

“2010 Projects” means the ADC Project, the Animal Shelter Project and the Fire Station Project financed or refinanced with the proceeds of the 2010 Park Bonds.

“2010 Property” means the land and all improvements, comprising the sites of the 2010 Projects located at 9701 Manassas Drive, Manassas Park, Virginia, and 7500 Ben Lomond Park Drive, Manassas, Virginia.

THE MASTER TRUST AGREEMENT

Granting Clause

The Authority (a) assigns all rights, title and interest of the Authority in and to any and all Payment Agreements, including, without limitation, its rights to receive Basic Payments and, except to the extent required to pay Authority Liabilities, Additional Payments (reserving the rights of the Authority to receive notices, reports and other statements to be given to the Authority thereunder), and (b) pledges the Basic Payments and (except as reserved above) Additional Payments received pursuant to any and all Payment Agreements, all money and securities in the Debt Service Subfund and, until applied in payment of any Cost of a Project or otherwise applied as permitted under the Master Trust Agreement, all money and securities in the Construction Subfund; to the Trustee, and unto its successors and assigns, in trust, forever.

Authorization and Issuance of Bonds (Section 208)

There may be issued at one time or from time to time Series of Bonds under and secured by the Master Trust Agreement revenue bonds of the Authority designated "Prince William County Facilities Revenue Bonds Series" for the purposes of providing funds, together with any other available funds, for paying all or any portion of the Cost of any Project.

The Bonds of any Series (and any Series of Refunding Bonds authorized and issued under the Master Trust Agreement) (1) may be issued as current interest Bonds, capital appreciation Bonds or zero interest rate Bonds, Serial Bonds or Term Bonds, or any combination thereof, and may convert from one to another subsequent to their date of issue, (2) are to have such Series designation or designations, be dated and be stated to mature, subject to the right of prior optional, extraordinary optional and mandatory sinking fund redemption, if any, on the dates and in the principal amounts, (3) may bear interest at a fixed rate, variable rate, or convertible rate, are to be payable on the date or dates, may contain provisions permitting or requiring that such Bonds be tendered to the Authority or another for payment or remarketing and may be subject to interest rate exchange, interest rate cap, interest rate floor agreements and other derivative agreements of any duration, (4) are to have such other details, and (5) are to be sold in such manner to such purchasers upon the payment of such purchase price, all as are to be provided by the applicable Supplemental Trust Agreement; *provided, however*, that in any case Bonds may be issued and secured under the Master Trust Agreement only where (Y) the County will be absolutely and unconditionally obligated by a Payment Agreement to make Payments on such dates and in such amounts as will be sufficient for the Authority to make timely payment of all amounts that may become due and payable on such Series of Bonds, subject only to the appropriation by the Board of County Supervisors of funds for the purpose of the County's making such Payments and (Z) in the case of any derivative agreement, the Board of County Supervisors have specifically approved the terms and provisions of any derivative agreement; and *provided, further*, that under the applicable Payment Agreement, the County will not be scheduled to make any Basic Payments, and under the applicable Supplemental Trust Agreement, the Authority will not be scheduled to make any debt service payments, prior to the first day of the third month of the County's fiscal year.

The Supplemental Trust Agreement authorizing a Series of Bonds (and any Series of Refunding Bonds authorized and issued under the Master Trust Agreement) may provide additional security for such Series of Bonds, such as, by way of example and not limitation, a Credit Facility or derivative agreement, and the other Bonds outstanding under the Master Trust Agreement will have no right or interest in such additional security nor will such Series of Bonds have any right or interest in any additional security pledged under any other Supplemental Trust Agreement, but all Bonds outstanding under the Master

Trust Agreement will have a parity pledge of and security interest in the Payments due under the Payment Agreements securing such Bonds and assigned by the Authority to the Trustee for the equal and proportionate benefit of all Bonds secured by and outstanding under the Master Trust Agreement. Except as to any additional security provided in the Supplemental Trust Agreements and as to any differences in the rate or rates of interest, the maturities or the provisions for redemption or purchase and except for such differences, if any, respecting the use of money in various accounts in the Debt Service Subfund, all Bonds (including any Series of Refunding Bonds authorized and issued under the Master Trust Agreement), will be on a parity with and will be entitled to the same benefit and security of the Master Trust Agreement regardless of their date of issue.

Bonds, including the Series 2020A Bonds, are to be executed substantially in the form and in the manner above set forth or as provided in the Master Trust Agreement and in the applicable Supplemental Trust Agreement and are to be deposited with the Bond Registrar for authentication, but before any Series of Bonds are delivered by the Bond Registrar, there are to be filed or deposited with the Bond Registrar, as appropriate, the following:

(a) an executed counterpart, or a copy, certified by the Secretary, of the Master Trust Agreement;

(b) an executed counterpart, or a copy, certified by the Secretary, of the applicable Supplemental Trust Agreement, fixing details of such Series of Bonds, approving a Credit Facility or derivative agreement, if any, approving the sale of such series of Bonds to the purchasers thereof, and directing the authentication and delivery of such Series of Bonds to or upon the order of such purchasers upon payment of the purchase price therein set forth and any accrued interest thereon;

(c) an executed counterpart, or a copy, certified by the Clerk of the Board of Supervisors of the County and by the Secretary, of the applicable Payment Agreement;

(d) an opinion or opinions of counsel for the Authority to the effect that (1) the Master Trust Agreement and the Supplemental Trust Agreement referred to in clause (b) above have each been duly authorized, executed and delivered by the Authority, are in full force and effect and are valid and binding on the Authority in accordance with their respective terms; (2) the Authority has all necessary power and authority to apply the proceeds of such Series of Bonds to the Cost of the Projects and other purposes described in the applicable Supplemental Trust Agreement; (3) the Payment Agreement referred to in clause (c) above has been duly authorized, executed and delivered by the Authority, is in full force and effect, and is valid and binding on the Authority in accordance with its terms, (4) the issuance of such Series of Bonds has been duly and validly authorized and all conditions precedent to the delivery of such Series of Bonds have been fulfilled and (5) no provision of such Series of Bonds or of the Supplemental Trust Agreement authorizing such Series of Bonds results in or constitutes a default under the Master Trust Agreement or any other Supplemental Trust Agreement, any Payment Agreement or any other material agreement, indenture or other instrument to which the Authority is a party or by which the Authority is or may be bound;

(e) an opinion or opinions of counsel for the County to the effect that (i) the Payment Agreement referred to in clause (c) above has been duly authorized, executed and delivered by the County, is in full force and effect and is valid and binding on the County in accordance with its terms and (ii) subject to the usual qualifications and exceptions, the express terms of the Payment Agreement providing that the County's obligation to make Payments to or for the account of the Authority on such dates and in such amounts as will be sufficient for the Authority

to make timely payment of (X) all amounts that may become due and payable on such Series of Bonds, (Y) all other amounts that may become payable under the terms of the Payment Agreement and (Z) all amounts payable under the Master Trust Agreement and the applicable Supplemental Trust Agreement to the extent not provided for in the applicable Payment Agreement or other Payment Agreements or otherwise provided for, is valid and binding subject only to the appropriation by the Board of County Supervisors of funds for the purpose of the County's making such Payments;

(f) a certificate signed by the Chairman or Vice Chairman of the Authority and a County Representative and dated the date of such issuance, to the effect that to the best of knowledge of the signer:

(1) upon and immediately following the issuance of such Series of Bonds, no Event of Default under the Master Trust Agreement or any Payment Agreement, and no event or condition which, with the giving of notice or lapse of time or both, would become an Event of Default under the Master Trust Agreement or any Payment Agreement, will have occurred and be continuing, or if such Event of Default or event or condition has occurred and is continuing, it will be cured upon the issuance of such Series of Bonds;

(2) all of the approvals, limitations, conditions and provisions precedent to the issuance of such Series of Bonds in accordance with the Enabling Act or otherwise have been obtained, observed, met and satisfied;

(g) except in the case of the Series 2016A Bonds, written confirmation from each Rating Agency rating the Bonds that the issuance of such Series of Bonds will not cause its Credit Rating on any Series of Bonds to remain outstanding immediately after such issuance to be lowered or withdrawn on account of the issuance of such Series of Bonds;

(h) a certificate of a County Representative, which may be based upon certificates of other County officials, to the effect that the sum of the proceeds of such Series of Bonds credited to the Project Account in the Construction Subfund, other amounts made and to be made available by the County and others, and the estimated investment income on all accounts in the Construction Subfund available for the purpose, is not less than the estimated total Cost of the Project; and

(i) any additional documents or opinions required by the provisions of the Supplemental Trust Agreement, any derivative agreement or an agreement with a Credit Bank or Insurer and any Credit Facility or insurance policy issued by an Insurer in respect of such Series of Bonds.

When the documents mentioned in paragraphs (a) to (i) above, inclusive, have been filed with the Bond Registrar and when such Series of Bonds have been executed and authenticated by the Bond Registrar upon the request of the Authority, as required by the Master Trust Agreement, the Bond Registrar is to deliver such Series of Bonds to or upon the order of the purchasers named in the Supplemental Trust Agreement mentioned in paragraph (b) above, but only upon payment to the Bond Registrar, for the account of the Authority, of the purchase price of such Series of Bonds and of any accrued interest thereon.

The proceeds (including accrued interest, if any) of such Series of Bonds, together with any other funds made available to the Authority, will be deposited by the Bond Registrar for the account of the

Authority, simultaneously with the delivery of such Series of Bonds, except as otherwise provided in the applicable Supplemental Trust Agreement, as follows:

- (1) with the Trustee, to the credit of a special account in the Construction Subfund (the “Costs of Issuance Account”), an amount equal to the sum of the costs associated with the issuance of such Series of Bonds;
- (2) with the Trustee, to the credit of a special account in the Debt Service Subfund (the “Accrued Interest Account”) an amount equal to the accrued interest, if any, on such Series of Bonds;
- (3) with the Trustee, to the credit of a special account within the Debt Service Subfund (the “Capitalized Interest Account”), the amount, if any, provided in the applicable Supplemental Trust Agreement; and
- (4) with the Trustee, to the credit of a special account in the Construction Subfund (the “Project Account”) the balance remaining after the foregoing deposits have been made.

Refunding Bonds (Section 209)

Refunding Bonds of the Authority may also be issued from time to time under and secured by the Master Trust Agreement subject to the conditions described under this heading and under the heading “– Authorization and Issuance of Bonds” above for the purpose of providing funds, with any other available funds, for refunding all or any part of any Indebtedness then outstanding (including without limitation, Bonds and other indebtedness that may have been issued or incurred under the provisions of the Enabling Act and whether or not under the provisions of the Master Trust Agreement), including the payment of any redemption premium thereon and interest that will accrue on such Indebtedness to the redemption date or stated maturity date or dates and any expenses in connection with such refunding. Before any such Series of Refunding Bonds will be issued, the Authority will enter into a Supplemental Trust Agreement authorizing the issuance of such Bonds and having the provisions required or permitted under the heading “– Authorization and Issuance of Bonds” above.

Such Refunding Bonds are to be deposited with the Bond Registrar for authentication, but before such Refunding Bonds are delivered by the Bond Registrar, there will be filed with the Bond Registrar items comparable to those described in paragraphs (a) through (g) and (i) under the heading “– Authorization and Issuance of Bonds” above.

When (i) the items comparable to those described in paragraph (a) through (g) and (i) under the heading “– Authorization and Issuance of Bonds” above have been filed with the Bond Registrar, and (ii) the Refunding Bonds described in the applicable Supplemental Trust Agreement have been executed by the Authority and authenticated by the Bond Registrar upon the request of the Authority, as required by the Master Trust Agreement, the Bond Registrar is to deliver such Series of Bonds, at one time to or upon the order of the purchasers thereof, but only upon payment to the Authority of the purchase price of such Bonds and any accrued interest thereon.

The proceeds of such Refunding Bonds (including accrued interest, if any) and any other funds made available by the Authority are to be paid to the Bond Registrar for the account of the Authority and applied simultaneously with the delivery of the Refunding Bonds or at the time the refunded Bonds or other Indebtedness is no longer deemed to be outstanding, as appropriate, as follows:

(1) to the credit of the Costs of Issuance Account with the Trustee, the estimated amount of the cost of issuing such Refunding Bonds;

(2) the accrued interest, if any, received as part of the proceeds of such Refunding Bonds is to be paid to the Trustee for deposit to the credit of the Accrued Interest Account in the Debt Service Subfund;

(3) an amount that, together with the interest that accrues on the Defeasance Obligations or other Investment Obligations acquired pursuant to this clause, will be sufficient to pay the principal of and redemption premium, if any, and the interest on the Bonds to be refunded thereunder will be paid to the Trustee or another suitable financial institution as escrow agent, for deposit to the credit of a special account, appropriately designated, to be held in trust by the Trustee or such other institution for the sole and exclusive purpose of paying such principal, redemption premium and interest; and money held for the credit of such account will, as nearly as may be practicable and reasonable, be invested and reinvested by such Trustee, as directed by the Authority, in Defeasance Obligations or other Investment Obligations that mature or are subject to redemption by the holder thereof at the option of such holder, at such time or times as will be necessary or desirable to effectuate the purpose of such refunded indebtedness as stated in the applicable Supplemental Trust Agreement; and

(4) any balance of such proceeds is to be paid to the Trustee for deposit to the credit of the Debt Service Subfund.

If the Trustee determines that the balance of the credit of such subfund or account created pursuant to the Master Trust Agreement exceeds the amount required to be on deposit therein on account of all Bonds outstanding after the issuance of the Refunding Bonds, the excess may at the direction of a County Representative be transferred to the Debt Service Subfund.

Redemption Date and Price (Section 301)

The Bonds issued under the provisions of the Master Trust Agreement may be made subject to mandatory, extraordinary mandatory, extraordinary optional and optional redemption by the Authority, either in whole or in part, and at such times and prices and on such terms and conditions as may be provided in the respective Supplemental Trust Agreements.

In addition, the Term Bonds are required to be redeemed to the extent of the Sinking Fund Requirements, if any, therefor established by the Supplemental Trust Agreement providing for the issuance thereof.

Construction Subfund; Accounts (Section 401)

The Master Trust Agreement establishes a special subfund within the County Facilities Project Fund designated "County Facilities Construction Subfund" to be held in trust by the Trustee. A separate account for each Series of Bonds issued pursuant to the Master Trust Agreement relating to the Costs of Project may be established (each a "Project Account"), in which case the provisions of the Master Trust Agreement will apply to each such account as though it were the entire Construction Subfund. Additionally, a separate account for each Series of Bonds issued pursuant to the Master Trust Agreement relating to the costs of issuance of such Series of bonds may be established (each a "Costs of Issuance Account"), in which case the provisions of the Master Trust Agreement will apply to each such account as though it were the entire Construction Subfund.

Payment of the Cost of the Project(s) is to be made from the Construction Subfund.

Payments from Construction Subfund (Section 402)

(a) (1) Money in a Project Account is to be used solely to pay or reimburse the payment of any Costs of a Project and pending such use, may be invested, at the direction of a County Representative but in accordance with a schedule of estimated disbursements furnished by and updated from time to time by a County Representative, in Investment Obligations in accordance with the provisions relating to the depositing and investing of money in the Master Trust Agreement.

(2) All investment income resulting from the investment of a Project Account is to be credited to an applicable subaccount in the Project Account as realized and, except in the case of any money reserved to pay any Rebate Liability, transferred on or before each Deposit Day. A County Representative may direct the Trustee to transfer any money reserved to pay Rebate Liability to the Improvement Subfund in accordance with an applicable Supplemental Trust Agreement. Any losses resulting from the investment of the Project Account will be charged first against the investment income to the credit of the applicable subaccount in the Project Account and then against the principal to the credit of the applicable Project Account.

(3) To withdraw funds to the credit of a Project Account to pay or reimburse the payment of Costs of any Projects for which, there is to be filed with the Trustee as a condition precedent to each disbursement a requisition, signed by a County Representative, stating to the best knowledge of the signer, that (A) the obligation has been incurred by or is otherwise payable to pay Costs of a Project, (B) the item is a proper charge against the Project Account and (C) the obligation has not been the basis for a prior requisition which has been paid.

(4) If the maturities of all Bonds outstanding have been accelerated pursuant to the Master Trust Agreement, all of the money in any Project Account(s) is to be transferred to the Debt Service Subfund to be used for the payment of the principal amount and any accrued interest thereon of the Bonds for which such Project Account(s) relate to.

(b) (1) Money in the Costs of Issuance Account is to be used solely to pay or reimburse the Cost incurred in connection with the issuance of Bonds, and pending such use, may be invested, at the direction of a County Representative in Investment Obligations in accordance with the provisions relating to the depositing and investing of money in the Master Trust Agreement.

(2) All investment income resulting from the investment of the Costs of Issuance Account is to remain to the credit of such account. Any losses resulting from the investment of the Costs of Issuance Account will be charged first against the investment income to the credit of the subaccount in the Costs of Issuance Account and then against the principal to the credit of the applicable Project Account.

(3) To withdraw funds to the credit of the Costs of Issuance Account to pay or reimburse the Cost of issuance, there is to be filed with the Trustee as a condition precedent to each disbursement a requisition in the form of an exhibit to the Master Trust Agreement, signed by a County Representative, stating that, to the best knowledge of the signer, (A) the obligation has been incurred by or is otherwise payable by the Prince William County Board of County Supervisors to pay the Costs of a Project, (B) the item is a proper charge against the Costs of Issuance Account and (C) the obligation has not been the basis for a prior requisition that has been paid.

Disposition of Construction Subfund Balance (Section 404)

Any funds remaining within a Costs of Issuance Account established in connection with Bonds issued pursuant to the Master Trust Agreement will, six months from the date of issuance of the applicable Series of Bonds, are to be transferred within the Construction Subfund to the Project Account pertaining to such Series of Bonds. Any funds remaining within a Costs of Issuance Account established in connection with Refunding Bonds issued pursuant to the Master Trust Agreement six months from the date of issuance of such Refunding Bonds, are to be transferred to the Debt Service Subfund.

When a Project has been completed, which fact is to be evidenced to the Authority by a Certificate of a County Representative setting forth the date of such completion and also stating that requisitions have been made for the payment of all obligations that are payable from the Construction Subfund (the "Completion Date"), delivered to the Authority, the balance in the Construction Subfund not reserved for the payment of any remaining part of the Cost of a Project completed and not required to be transferred to the Improvement Subfund for Rebate Liability is to be transferred to the Debt Service Subfund for the payment, purchase or redemption of Bonds in accordance with the provisions of the Master Trust Agreement. Such transfer is to be accompanied by an opinion of counsel nationally recognized as expert in tax matters relating to obligations of states and their political subdivisions to the effect that such proposed application of such balance will not adversely affect the federal income tax treatment of interest on any Bonds. Alternatively, if the applicable Supplemental Trust Agreement provides such balance may be applied to the Cost of another Project.

Establishment of Fund and Subfunds (Section 501)

The Master Trust Agreement establishes a County Facilities Projects Fund as a discrete, enterprise fund of the Authority. In addition to the Construction Subfund, the Master Trust Agreement establishes within County Facilities Projects Fund the Debt Service Subfund and the Improvement Subfund. The money in each of such subfunds is to be held in trust by the Trustee.

Funds Received (Section 502)

Except as otherwise specifically provided by the Master Trust Agreement, all Pledged Revenues received by the Trustee are to be credited to the County Facilities Projects Fund and are to be subject to a lien and charge in favor of the Holders. Semi-annually, on or before each Deposit Day, the Trustee is to: first, set aside in the Debt Service Subfund, after first taking into account any accrued interest and capitalized interest deposited from the proceeds of any Bonds and any transfers from the Improvement Subfund, an amount equal to the interest due on the Bonds on the next Interest Payment Date, and an amount equal to the principal due on the Bonds on the next Principal Payment Date; and second, transfer into the Improvement Subfund the balance of such Pledged Revenues.

If on the Business Day next preceding an Interest Payment Date or a Principal Payment Date money to the credit of the Debt Service Subfund is not sufficient to pay the principal and interest due and payable on the Bonds the Trustee is to transfer from the Improvement Subfund if and to the extent money in the Improvement Subfund is available for such purpose an amount equal to the deficiency in the Debt Service Subfund or special account therein.

All Additional Payments received by Trustee from the County pursuant to a Payment Agreement with respect to Rebate Liability and Trust Agreement Expenses and late charges and any other money received by the Trustee pursuant to a Payment Agreement (other than Pledged Revenues and amounts received pursuant to insurance claims relating to certain irreparable damage to or condemnation of a

Project as specified in the applicable Payment Agreement) are to be deposited in the Improvement Subfund.

Any money transferred to the Trustee from the Construction Subfund in accordance with the Master Trust Agreement is to be deposited to a special account in the Debt Service Subfund and applied by the Trustee to the payment, purchase or redemption of Bonds in accordance with the written instructions of an Authority Representative.

Application of Money in Debt Service Subfund (Section 503)

Money in the Debt Service Subfund is to be used solely for the payment of the principal of and premium, if any, and the interest on the Bonds. On each Interest Payment Date the Trustee will withdraw from and transfer such money to the Bond Registrar or Paying Agent, which is to remit by mail to each registered owner the amounts required for paying the interest on such Bonds. On each Principal Payment Date the Trustee is to withdraw from and transfer such money to the Bond Registrar or Paying Agent, the amounts required for paying the principal of and premium, if any, on the Bonds.

The Trustee when directed by an Authority Representative, is to purchase Bonds prior to maturity at prices not to exceed the principal amount of such Bonds. No such purchase is to be made within forty-five (45) days immediately preceding any Interest Payment Date on which the Bonds are subject to call for redemption except from money other than money set aside or deposited for the redemption of Bonds.

In the case of Bonds secured by a Credit Facility, amounts on deposit in the Debt Service Subfund may be applied as provided in the applicable Supplemental Trust Agreement to reimburse the Credit Bank for amounts drawn under such Credit Facility to pay the principal of and premium, if any, of interest on the Bonds.

Application of Money in the Improvement Subfund (Section 504)

Money held in the Improvement Subfund is to be set aside and disbursed by the Trustee in accordance with written instructions of an Authority Representative for the following purposes and, except as otherwise provided in the Master Trust Agreement, in the following order of priority: (i) for paying the Authority's Rebate Liability; (ii) for paying Trust Agreement Expenses; (iii) for transfer and deposit to the Debt Service Subfund; (iv) for paying or discharging any other Authority Liabilities not otherwise paid or provided for; and (v) for paying for repairs or maintenance of the applicable Project caused by some extraordinary occurrence, all in accordance with any applicable Payment Agreement.

Disposition of Subfund Balances (Section 507)

After provision is made for the payment of all outstanding Bonds issued under the Master Trust Agreement, including the interest thereon, and for the payment of all other obligations, expenses and charges required to be paid under or in connection with the Master Trust Agreement, the Trustee is to pay all amounts in any Subfund then held by it under the Master Trust Agreement to the County.

Investment of Money (Section 602)

Money held for the credit of the Improvement Subfund and the Construction Subfund, as nearly as may be practicable, is to be invested and reinvested in Investment Obligations that mature, or are subject to redemption at the option of the holder thereof.

Money held for the credit of the Debt Service Subfund, as nearly as may be practicable, is to be invested and reinvested in Investment Obligations that mature, or that are subject to redemption at the option of the holder thereof, not later than the respective dates when the money held for the credit of said Subfund will be required.

Valuation (Section 603)

For the purpose of determining the amount on deposit to the credit of any such Subfund or account, obligations in which money in such Subfund or account has been invested are to be valued at amortized cost.

The Trustee is to value the Investment Obligations in the Subfunds and accounts held by it at least once in every Bond Year and report such balances to the Authority and the County. In addition, the Investment Obligations are to be valued by the Trustee at any time requested by an Authority Representative on reasonable notice (which period of notice may be waived or reduced by the Trustee); provided, however, that the Trustee which not be required to value the Investment Obligations more than once in any calendar month.

Payment of Principal, Interest and Premium (Section 701)

The Authority covenants to pay, when due, the principal of and the premium, if any, and the interest on the Bonds at the places, on the dates and in the manner provided in the Master Trust Agreement.

The Bonds are payable solely from Pledged Revenues derived by the Authority from applicable Payment Agreements and other money pledged under the Master Trust Agreement. The Bonds will not be deemed to constitute a pledge of the faith and credit of the State or of any political subdivision thereof, including the Authority and the County. Neither the faith and credit of the State nor the faith and credit of the Authority or the County are pledged to the payment of the principal of or premium, if any, or interest on the Bonds, and the issuance of the Bonds will not directly, indirectly or contingently obligate the State or the County to levy any taxes whatever therefor or to make any appropriation for their payment except from the revenues and receipts provided for their payment under the Master Trust Agreement.

Further Instruments and Actions (Section 704)

At the request of the Trustee, the Bond Register or any other Trustee, the Authority covenants to execute and deliver such further instruments or take such further actions as may be required to carry out the purposes of the Master Trust Agreement.

Request of County to Appropriate (Section 705)

The Authority covenants that it will, through its Authority Representative, request the County annually, for each fiscal year and for so long as any Bonds of any Series is outstanding, to budget, appropriate and pay to the Trustee an amount equal to the Basic Payments payable by the County under the applicable Payment Agreements in such fiscal year. The Authority also covenants that it will through its Authority Representative, request the County annually, for each fiscal year and for so long as any Bonds of any Series will be outstanding, to budget, appropriate and pay to the Trustee or otherwise an amount equal to the estimated Additional Payments payable by the County under the Payment Agreements in such fiscal year.

Event of Default (Section 801)

An “Event of Default” includes (i) failure to pay any installment of interest on any Bonds when due and payable; (ii) failure to pay principal or redemption premium, if any, of any Bonds when due and payable; (iii) an event of default under a Payment Agreement as specified therein; (iv) default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Master Trust Agreement or any Supplemental Trust Agreement for ninety (90) days after receipt by the Authority of a written notice from the Trustee or Holders of a majority in aggregate principal amount of Bonds then outstanding specifying such default and requiring the same to be remedied.

No Event of Default will be deemed to have occurred under (i) or (ii) above where no event of default has occurred and is continuing under the applicable Payment Agreement.

Clause (iv) above is subject to the limitation that if the Authority is unable in whole or in part to carry out any of its agreements contained in the Master Trust Agreement due to any cause, circumstance or event that is not reasonably foreseeable and that is not within the control of the Authority, then such failure by the Authority will not be deemed an Event of Default during the continuance of such inability, including a reasonable time for the removal of the effect thereof.

Acceleration of Maturities (Section 802)

Upon the happening and continuance of any Event of Default specified in (i) or (ii) under the heading “– Event of Default” above, the Trustee may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding must, declare the principal of all of the Bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same will become and be immediately due and payable, subject to the right of the Authority to cure such default as provided in the Master Trust Agreement.

Enforcement of Remedies (Section 803)

Upon the happening and continuance of any Event of Default specified in the Master Trust Agreement, then and in every such case the Trustee may proceed and upon the written request of the Holders of not less than a majority in aggregate principal amount of Bonds then outstanding must proceed to protect and enforce its rights and the rights of the Holders under the laws of the State or under the Master Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained in the Master Trust Agreement or in aid of execution of any power granted in the Master Trust Agreement or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel chosen by the Trustee or by such Holders, will deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Master Trust Agreement, the Trustee will be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default becoming and remaining due from the Authority for principal, interest or otherwise under any of the provisions of the Master Trust Agreement or of the Bonds, together with interest on overdue payments of principal at the rate or rates of interest payable on any Bonds outstanding and all costs and expenses of collection and of all proceedings under the Master Trust Agreement, without prejudice to any other right or remedy of the Trustee or of the Holders and to recover and enforce any judgment or decree against the Authority, but solely as provided in the Master Trust Agreement, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from

money available for such purposes), in any manner provided by law, the money adjudged or decreed to be payable.

Control of Proceedings by Holders (Section 806)

Holders of a majority in aggregate principal amount of Bonds then outstanding will have the right, subject to the provisions of the Master Trust Agreement, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Master Trust Agreement, provided that such direction is in accordance with law and the provisions of the Master Trust Agreement.

Notice of Default (Section 811)

The Trustee is to provide to all Holders at their addresses as they appear on the registration books written notice of the occurrence of any Event of Default within thirty (30) days after the Trustee has notice of the same, that any such Event of Default has occurred.

Rights of Credit Bank and Insurer (Section 813)

Until the Authority has reimbursed a Credit Bank or any Insurer for amounts paid under a Credit Facility or under an insurance policy to pay the interest on or the principal of any Bonds, such Bonds will be deemed to be outstanding and such Credit Bank or Insurer will succeed to the rights and interests of the Holders to the extent of the amounts paid under the Credit Facility or insurance policy until such amount has been reimbursed and upon presentation to the Bond Registrar, such Bond is to be registered in the name of the Credit Bank or Insurer or its nominee.

Supplemental Agreements Without Consent of Holders (Section 1101)

The Authority may enter into such supplements and amendments to the Master Trust Agreement as are consistent with the terms and provisions of the Master Trust Agreement: (a) to cure any ambiguity or formal defect or omission, or to correct or supplement any provision that may be inconsistent with any other provision of the Master Trust Agreement; or (b) to grant to or confer upon the Holders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders; or (c) to add to the conditions, limitations and restrictions thereafter to be observed by the Authority under the provisions of the Master Trust Agreement; or (d) to add to the covenants and agreements of the Authority in the Master Trust Agreement other covenants and agreements thereafter to be observed by the Authority or to surrender any right or power reserved to or conferred upon the Authority in the Master Trust Agreement; or (e) to provide for the issuance of Bonds and to provide for such other related matters as may be required or contemplated by or appropriate under the Master Trust Agreement; or (f) to make change necessary to comply with the requirements of any Rating Agency then rating the Bonds; or (g) to make any other change that, in the judgment of the Authority and the Trustee, would not materially adversely affect the security for the Bonds.

Modification of Agreements with Consent of Holders (Section 1102)

All other supplemental agreements require the written consent of Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding that will be affected thereby provided, however, that no supplemental agreement is to permit (a) an extension of the maturity of the principal of or the interest on any Bonds issued under the Master Trust Agreement, or (b) a reduction in the principal amount of any Bonds or the redemption premium or the rate of interest thereon, or (c) the creation of a pledge or lien on the money credited to the Debt Service Subfund or the Construction Subfund other than

the pledge and lien created by the Master Trust Agreement, or (d) a preference or priority of any Bonds over any other Bonds, or (e) a reduction in the aggregate principal amount of Bonds required for consent to such supplemental agreement.

Supplements and Amendments to the Payment Agreements Not Requiring Holders' Consent (Section 1201)

The Authority may enter into supplements and amendments to Payment Agreements as it deems not adverse to the interests of the Holders of the applicable Series after thirty (30) days' prior notice to, but without the consent of, the Trustee. From time to time and at any time, may enter into other supplements and amendments to such agreements, and the Trustee may consent to such amendments and supplements to such agreements are not, in the judgment of the Trustee, materially adverse to the interests of the Holders of the applicable Series, (a) to cure any ambiguity or formal defect or omission in of such agreements or in any supplement or amendment thereto, or (b) to grant to or confer upon the Authority or the Trustee, for the benefit of the Holders, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders of the applicable Series or the Authority or the Trustee, or (c) to make any other change in either of such agreements, provided only that no such change will be made to a Payment Agreement relating to Payments that would, in the judgment of the Trustee, be materially adverse to the interests of the Holders. Amendments or supplements to Payment Agreements pursuant to this paragraph may be made without the consent of the Holders.

Supplements and Amendments to the Payment Agreements Requiring Holders' Consent (Section 1202)

All other supplements or amendments to Payment Agreements require notice of the execution of the proposed supplement or amendment and the consent of the Holders of more than a majority in aggregate principal amounts of the Bonds then outstanding in the same manner as provided for in the case of supplements and amendments to the Master Trust Agreement.

Defeasance (Section 1301)

When (i) Bonds secured by the Master Trust Agreement have become due and payable in accordance with their terms, and (ii) the whole amount of the principal and the interest and premium, if any, so due and payable upon all Bonds will be paid or if the Trustee, the Bond Registrar or any Paying Agent will hold sufficient money or Defeasance Obligations the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of, and the interest and redemption premium, if any, on all Bonds then outstanding to the maturity date or dates thereof, and (iii) if Bonds are to be called for redemption in accordance with the provisions of the Master Trust Agreement prior to their maturity, the Authority will have given, irrevocable instructions to call the Bonds for redemption, and (iv) sufficient provision is made for paying all other obligations payable by the Authority in connection with the defeasance of said indebtedness, then and in that case the right, title and interest of the Holders in the subfunds in the Master Trust Agreement will cease and become void, and on demand of the Authority and upon being furnished with an opinion, in form and substance satisfactory to the Trustee, of counsel nationally recognized as expert in legal matters relating to the obligations of states and their political subdivisions, to the effect that all conditions precedent to the release of the Master Trust Agreement have been satisfied, the Trustee is to release the Master Trust Agreement.

SECOND SUPPLEMENTAL TRUST AGREEMENT

Application of the Proceeds of the Series 2020A Bonds (Section 2.04)

The proceeds (including any premium) of the Series 2020A Bonds are to be applied by the Trustee simultaneously with the delivery of said Series 2020A Bonds as follows:

(A) with the Trustee, to the credit of a special account created in the Construction Subfund (the “2020A Costs of Issuance Account”), the amount equal to the sum of the costs associated with the issuance of such Series of Bonds;

(B) with the Trustee, to the credit of a special account in the Construction Subfund for purposes of the constructing and equipping of the 2020 Projects (the “2020A Projects Account”), \$_____; and

(C) with U.S. Bank National Association, as paying agent for the Bonds to be Refunded for the purpose of refunding the Bonds to be Refunded, the balance remaining (\$_____) after the foregoing deposits have been made.

Redemption Provisions of the Series 2020A Bonds (Section 3.01)

At its option, to be exercised not less than forty-five (45) days prior to each such applicable Principal Payment Date, the Authority may (a) deposit money with the Trustee to be used to purchase Series 2020A Bonds, or direct the Trustee to cause money in the Debt Service Subfund to be used for such purchases, at a price not exceeding the principal amount thereof plus accrued interest to such applicable Principal Payment Date, or (b) receive a credit against the Sinking Fund Requirements for Series 2020A Bonds which prior to such date have been purchased by the Authority and presented to the Trustee for cancellation or redeemed (otherwise than in satisfaction of prior Sinking Fund Requirements) and canceled by the Trustee and, in either case, not theretofore applied as a credit against any Sinking Fund Requirement. Each such Series 2020A Term Bond so purchased, delivered or previously redeemed will be credited by the Trustee at 100% of the principal amount thereof against the current Sinking Fund Requirement with respect to Series 2020A Bonds due on the same date as the Term Bond so purchased, delivered or previously redeemed and canceled. Any excess over such current Sinking Fund Requirement will be credited against the future Sinking Fund Requirements of Term Bonds with the same maturity date in such manner as the Authority will determine, and the principal amount of such Series 2020A Bonds with such maturity date to be redeemed by mandatory sinking fund redemption will be reduced accordingly.

Optional Redemption. (1) The Series 2020A Bonds which are stated to mature after [October 1, 2030], are subject to redemption, in the manner and under the terms and conditions provided in the Master Trust Agreement, at the option of the Authority, from any money that may be made available for such purpose, either in whole or in part, as determined by the Authority, on any date not earlier than [October 1, 2030,] at a Redemption Price equal to 100% of the Series 2020A Bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption.

Extraordinary Optional Redemption. The Series 2020A Bonds are subject to extraordinary optional redemption, in whole or in part, on any date at a price equal to the principal amount thereof, together with interest thereon accrued to the date of redemption, upon the exercise by the County of its option to prepay the Purchase Price pursuant to the Contract when the following events occur:

(1) Circumstances Under Which County May Not Repair Damage. In the event that any Project, or any portion thereof is destroyed by fire or other casualty, the County may within 90 days after such damage or destruction, elect by written notice to the Authority not to repair, reconstruct or restore such Project, provided that the Net Proceeds of insurance payable as a result of such damage or destruction together with other money held for the payment of or as security for the Series 2020A Bonds and any additional sums paid by the County are sufficient to provide for Payment of the Allocated Bonds. [In such event the County will, in its notice of election to the Authority, state that such Net Proceeds and other money, if any, will be applied to defease the lien of the Second Supplemental Trust Agreement in accordance with its terms and such Net Proceeds will be paid to the Authority for the purpose of such defeasance.]

(2) Condemnation. If the County determines in accordance with the provisions of the Payment Agreement that the utility a Project cannot be maintained, restored or replaced following a taking, the net proceeds payable as a result of such taking are to be paid for the account of the Authority to the Trustee and the County will pay to the Trustee for the account of the Authority such additional amount as will be required, together with such net proceeds and all amounts held under the Master Trust Agreement and the Second Supplemental Trust Agreement and available for the purpose, for the payment of the Payment of the Allocated Bonds.

To exercise such option, the County is to give written notice to the Authority, and to the Trustee, and is to provide therein a specific direction to the Authority to apply such prepayment to the purchase and cancellation, redemption, or defeasance of Bonds in accordance with their terms. The date provided as to when such prepayment is to occur may not be less than 45 days from the date such notice is mailed, and in case of a redemption of the Series 2020A Bonds in accordance with the provisions of the Second Supplemental Trust Agreement will make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. Upon receipt by the Authority of the Purchase Price from the County, the Authority will release the County from its obligation under the Payment Agreement or if such prepayment is only a partial amount of the amount owed under the Payment Agreement the County's obligations under the Payment Agreement will be reduced as provided therein.

Payment of Principal, Interest and Premium (Section 7.01)

The Authority is to cause to be paid, when due, the principal of (whether at maturity, by call for redemption or otherwise) and the premium, if any, and the interest on the Series 2020A Bonds at the places, on the dates and in the manner provided in the Second Supplemental Trust Agreement and in the Series 2020A Bonds according to the true intent and meaning thereof.

The Series 2020A Bonds are payable, on a parity with any other outstanding Bonds, solely from Pledged Revenues derived by the Authority from the Payment Agreement and other money pledged under the Master Trust Agreement and the Second Supplemental Trust Agreement, including in particular amounts until paid out in accordance with the provisions of the Master Trust Agreement, amounts credited to the 2020A Projects Account. The Series 2020A Bonds issued under the Second Supplemental Trust Agreement and the Master Trust Agreement will not be deemed to constitute a debt or pledge of the faith and credit of the State or of any political subdivision thereof, including the Authority and the County. Neither the faith and credit nor the taxing power of the State or the Authority or the County or any other political subdivision is pledged to the payment of the principal of or premium, if any, or interest on the Series 2020A Bonds, and the issuance of the Series 2020A Bonds will not directly or indirectly or contingently obligate the State or the County to levy any taxes whatever therefor or to make any appropriation for their payment except from the revenues and receipts provided for their payment under the Master Trust Agreement and the Second Supplemental Trust Agreement. The Authority has no taxing power.

Request of County to Appropriate (Section 7.02)

The Authority covenants that it will, through an Authority Representative, request the County annually, for each fiscal year following the issuance of the Series 2020A Bonds, to budget, appropriate and pay to the Trustee an amount equal to the Basic Payments payable by the County under the Payment Agreement in such fiscal year. The Authority also covenants that it will, through its Authority Representative, request the County, annually for each fiscal year following the issuance of the Series 2020A Bonds to budget, appropriate and apply as provided in the Contract, the Second Supplemental Trust Agreement and the Master Trust Agreement an amount equal to the estimated Additional Payments payable by the County under the Contract in such fiscal year. Alternatively, the Authority, through its Authority Representative, may request the County to include as a single line item in its annual budget an item designated “Basic and Additional Payments – Master Trust Agreement” in an amount not less than an amount sufficient, in the judgment of the County, to make all payments scheduled to become due, and pay all other amounts payable by the County, pursuant to the Contract and all other Payment Agreements during such fiscal year.

Tax Covenants (Section 7.03)

The Authority covenants that it will not take any action that would, or fail to take any action which failure would, cause interest on the Series 2020A Bonds to become includable in gross income for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended and regulations promulgated thereunder.

(a) As of a date not later than five years after the issue date of the Series 2020A Bonds (the “Initial Installment Computation Date”), and at least once every five years thereafter, the Authority is to cause the Rebate Liability to be computed and will deliver a copy of the calculation of the Rebate Liability to the Trustee. Amounts paid for the purpose of funding the Rebate Liability, or otherwise made available therefor, are to be deposited by the Trustee in the Improvement Subfund.

(1) not later than sixty (60) days after each Initial Installment Computation Date, the Authority is to pay, or direct the Trustee to pay from amounts in the Improvement Subfund, to the United States of America at least ninety percent (90%) of the Rebate Liability as calculated with respect to such installment computation date;

(2) no later than sixty (60) days after the installment computation date that is the fifth anniversary of the Initial Installment Computation Date and no later than sixty (60) days after every fifth anniversary date thereafter until final payment of the Series 2020A Bonds, the Authority is to direct the Trustee to pay from amounts in the Improvement Subfund transferred from the Construction Subfund and payments received pursuant to the Contract for Rebate Liability purposes, to the United States of America not less than the amount, if any, by which ninety percent (90%) of the Rebate Liability set forth in the most recent Rebate Liability calculation exceeds the aggregate of all such payments theretofore made to the United States of America with respect to the Series 2020A Bonds;

(3) no later than sixty (60) days after final Payment of the Series 2020A Bonds, the Authority is to pay, or direct the Trustee to pay from amounts in the Improvement Subfund, to the United States of America the amount, if any, by which 100% of the Rebate Liability calculated with respect to the date of final payment of the Series 2020A Bonds exceeds the aggregate of all payments theretofore made.

(b) The Authority covenants that it will instruct the Trustee as to the final application of the amounts in the Improvement Subfund to the make payments to the United States of America of all or a portion of the Rebate Liability on such dates or amounts in order for the Authority to comply with the conditions in the Second Supplemental Trust Agreement.

All such payments are to be made by, or at the direction of, an Authority Representative from any legally available source, including money in the Improvement Subfund.

No such Rebate Liability payment need be made if the Authority receives and delivers to the Trustee an Opinion of Bond Counsel to the effect that such payment (1) is not required under the Code to prevent the Series 2020A Bonds from becoming “arbitrage bonds” within the meaning of Section 148 of the Code, or (2) may or should be calculated and paid on some alternative basis under the Code, and the Authority complies with such alternative basis.

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THE INSTALLMENT PURCHASE CONTRACT

Agreement to Issue the Series 2020A Bonds (Section 2.01)

At the request of the County, the Authority agrees that it will use its best efforts to issue, sell and deliver to the purchasers thereof at one time or from time to time (i) the Series 2020A Bonds pursuant to the Trust Agreement for the purpose of paying the Cost of the 2020 Projects, (ii) the Series 2020A Bonds to finance the acquisition of the 2010 Projects and the refunding of the 2010 Park Bonds, (iii) additional Bonds pursuant to the Trust Agreement for the purpose of paying all or any portion of the Cost of any 2020 Project in excess of the funds available for the purpose from the proceeds of the Series 2020A Bonds or (iv) refunding Bonds pursuant to the Trust Agreement for the purpose of refunding any Series 2020A Bonds or additional Bonds issued under (iii) above, or a combination of such purposes. The proceeds of the Series 2020A Bonds will be delivered to the Trustee for application in accordance with the Trust Agreement and the Second Supplemental Trust Agreement.

No Sufficiency Warranty by the Authority; Limited Liability of County (Section 2.03)

The Authority does not make any warranty, either express or implied, that the money that will be paid into the Construction Subfund or any account therein will be sufficient to pay the Cost of the Projects. The obligation of the County under the Contract to pay the Cost of the Projects will be limited to the proceeds of the Series 2020A Bonds and any additional Bonds described above deposited to the credit of the 2020A Projects Account in the Construction Subfund, the investment earnings thereon and any other investment earnings on the funds and accounts held by the Trustee under the Trust Agreement and transferred to the 2020A Projects Account in the Construction Subfund. The County agrees, however, that if, after exhaustion of the money in the Construction Subfund, the County should pay or cause to be paid any portion of the Cost of any 2020 Project, it will not be entitled to any reimbursement therefor from the Authority or from the Trustee (other than from the proceeds of any such additional Bonds), or diminution or postponement of the payments to be made pursuant to the Contract.

Sale of the Projects (Article III)

The Authority agrees to sell to the County, and the County agrees to purchase from the Authority, on the Effective Date, the Projects.

Payments (Section 4.01)

The County is to pay to the Authority the Purchase Price in installments, with Interest thereon, in accordance with the provisions of the Contract. The Purchase Price and Interest thereon is to be paid as Basic Contract Payments in the amounts and manner that will allow the Authority to pay timely the debt service on the Series 2020A Bonds.

The County may prepay the Purchase Price, in whole or in part, on not less than thirty (30) days' written notice to the Authority, accompanied by a specific direction to the Authority to apply such prepayment to the purchase and cancellation, redemption or defeasance of any Bonds. Upon such purchase and cancellation, redemption or defeasance, the Authority is to credit the principal amount of the Bonds so cancelled, redeemed or defeased against the Purchase Price and reduce the Basic Contract Payments otherwise payable by an amount equal to the sum of the principal amount of the Bonds so purchased and cancelled, redeemed or defeased, the interest on the Bonds so purchased and cancelled, redeemed or defeased and as a result of such prepayment and the interest that would have accrued on such Bonds so redeemed or defeased but for such prepayment and redemption or defeasance.

The Authority is to credit appropriately against the Purchase Price and Interest and reduce the Basic Contract Payments otherwise payable on each Due Date by the amount of any investment income (a) realized from the investment and reinvestment of Bond proceeds and Basic Contract Payments or other amounts or reserves derived from Bond proceeds or Basic Contract Payments and set aside or pledged to the Bonds and (b) applied, or to be applied, to the payment of principal or interest and any redemption premiums on Bonds.

The County is also to pay to or for the account of the Authority as Additional Contract Payments for the Projects all other amounts (other than Basic Contract Payments) payable by the County to the Authority under the Contract, including fees and expenses of the Trustee, the Bond Registrar, any depository, any Paying Agent, and the Authority.

Net Contract (Section 4.04)

The County is to pay to the Authority all Contract Payments payable to the Authority free of any abatement, charges, counterclaims, assessments, set-offs, offsets, impositions or deductions. Under no circumstances or conditions will the Authority be expected or required to make any payment of any kind with respect to the Properties or be under any obligation or liability except as provided in the Contract and the Trust Agreement. The County will pay directly all costs of operating, maintaining and repairing the Properties, including the costs and expenses for sewer, water, gas, electric, telephone, fuel and other utilities used or consumed in or at the Properties.

Late Charges (Section 4.05)

In the event that payment of any Basic Contract Payment becomes overdue for one business day beyond the date on which it is due, the sums so overdue will be payable with interest at the Late Charge Rate (computed on a 360-day year).

Obligations of County Subject to Appropriation (Section 4.06)

The obligations of the County to make any payments under the Contract are contingent upon the appropriation for each fiscal year by the Board of County Supervisors of the County of funds from which such Contract Payments can be made. The County will not be liable for any amounts that may be payable pursuant to the Contract unless and until such funds have been so appropriated for payment and then only to the extent thereof. The County and the Authority understand that nothing in the Contract will be deemed to obligate the Board of County Supervisors of the County to appropriate any sums on account of any Contract Payments to be made by the County under the Contract. The Contract will not constitute a pledge of the full faith and credit of the County or a bond or debt of the County in violation of Section 10 of Article VII of the Constitution of the State.

County Budget (Section 4.07)

The County Executive is to include as a separate line item in each annual budget of revenues and disbursements presented to the Board of Supervisors an item designated "County Services Facilities Projects Payments" in an amount not less than an amount sufficient, in the judgment of the County Executive, to make the Contract Payments and pay all other amounts payable during such fiscal year by the County pursuant to the Contract. Alternatively, the County Executive may include as a single line item in each annual budget of revenues and disbursements presented to the Board of Supervisors an item designated "Basic and Additional Payments – Master Trust Agreement" in an amount not less than an amount sufficient, in the judgment of the County Executive, to make all Payments scheduled to become

due, and pay all other amounts payable by the County, pursuant to the Contract and all other Payment Agreements referred to in the Master Trust Agreement during such fiscal year.

County's Obligation to Maintain and Repair Properties (Section 5.01)

The County, at its sole cost and expense, throughout the Term, is to keep and maintain the Properties in good and safe order and condition in accordance with industry standards and to use all reasonable precaution to prevent, waste, damage, or injury to the Properties. The provisions described under this heading will no longer apply to any Property for which no Allocable Bonds remain Outstanding.

In the event the Properties or any portion thereof are damaged or destroyed by fire, flood or other casualty the County, except as otherwise provided in the Contract is to, repair, reconstruct and restore the damaged Properties as and to the extent the County deems appropriate under the circumstances. Net Proceeds of any insurance relating to such damage or destruction will be paid directly to the County and the County is to apply such Net Proceeds received solely to, and will complete, the repair, reconstruction and restoration of the Properties.

In the event that the Properties or any portion thereof are destroyed by fire or other casualty the County may, within 90 days after such damage or destruction, elect by written notice to the Authority not to repair, reconstruct or restore the Properties, provided that the Net Proceeds of insurance payable as a result of such damage or destruction together with other money held for the payment of or as security for the Bonds and any additional sums paid by the County are sufficient to provide for Payment of the Bonds. In such event the County in its notice of election to the Authority, is to state that the Net Proceeds of insurance will be paid to the Authority for the purpose of defeasing the lien of the Second Supplemental Trust Agreement with respect to the Allocated Bonds in accordance with its terms and such Net Proceeds are to be paid to the Authority for the purpose of such defeasance. Alternatively, if the County determines that the destruction is limited to a Property, it will constitute compliance with the provisions of the Contract if the Net Proceeds of insurance payable as a result of such damage or destruction together with other money held for the payment of or as security for the Bonds and any additional sums paid by the County are sufficient to provide for Payment of the Allocated Bonds and will be so applied.

Upon completion of the repair, reconstruction and restoration pursuant to the Contract, any excess money from the Net Proceeds of insurance is to be paid by the County to the Authority and will be applied as a credit to Basic Contract Payments. In the event that the Bonds are defeased, any remaining Net Proceeds will be paid to or retained by the County.

In the event that the Properties or any portion thereof are condemned or taken for any public or quasi-public use and title vests in the party condemning or taking the same, the County is to determine in writing whether the Properties can be repaired, reconstructed and restored to such an extent that the utility of the Buildings, or any of them, can be largely maintained, restored or replaced. If the County determines that the utility of the Buildings can be maintained, restored or replaced following such a taking is to restore the Properties with the Net Proceeds resulting from such taking as nearly as practicable to substantially the same or an improved condition or utility as existed prior to the taking. The County will complete restoration of the Properties regardless of whether or not the Net Proceeds of the condemnation award received by the County for such purposes are sufficient. If the County determines that the utility of the Buildings cannot be maintained restored or replaced following such taking, the Net Proceeds payable as a result of such taking will be used for the Payment of the Bonds. Alternatively, if the County determine sthat the taking is limited to a Property, it will constitute compliance with the provisions of the Contract if the Net Proceeds payable as a result of such taking together with other money held for the payment of or as security for the Bonds issued to finance the Projects and any

additional sums paid by the County are sufficient to provide for Payment of the Allocated Bonds, as applicable and will be so applied.

Any excess money from the Net Proceeds of a taking over and above the costs of repair, reconstruction and restoration prosecuted to completion in accordance with the Contract is to be paid by the County to the Authority and applied as a credit against the Purchase Price and reduce the Basic Contract Payments becoming due thereafter as designated in writing by the County. In the event of Payment of the Bonds in accordance with the fifth paragraph under this heading, any remaining Net Proceeds will be retained by or paid to the County.

County's Assumption of the Maintenance and Management of the Properties (Section 5.02)

The Authority will have no duty or obligation to make any alteration, change, improvement, replacement, restoration or repair to, or to demolish, the whole or any part of the Properties. Except as otherwise provided in the Contract, as between the County and the Authority, the County assumes the full and sole responsibility for the condition, operation, repair, alteration, improvement, replacement, maintenance and management of the Properties.

Insurance (Article VI)

The County is to procure and pay the requisite premiums for and maintain during the Term of the Contract the insurance described in the Contract. The insurance policies required by the Contract will name the Trustee as an additional named insured. The Contract requires that the County carry as a minimum, (i) an "all risks" policy with coverage equal to 100% of the replacement cost value of the Properties, to be determined no less frequently than annually; and (ii) a general liability policy covering all operations and maintenance in connection with the Buildings equal to a \$5,000,000 combined aggregate limit per occurrence for personal injury and property damage liability. The County may self-insure against such risks under certain circumstances.

All such insurance will be issued by companies licensed to do business in the Commonwealth of Virginia with the Best's Key Rating of at least A-:VI.

Title (Section 7.01)

As between the County and the Authority, fee title to the Projects will vest in the County.

No Impairment of the Authority's Interests (Section 7.02)

Except for the Permitted Encumbrances described in the Contract, the County will not create or cause or suffer to be created, any lien, encumbrance or charge upon the Contract, the Properties, or any part of any of them, or the Authority's income derived from the Contract.

County Representations (Section 8.01)

Except as expressly provided in the Contract, the County warrants that no representations, statements or warranties, express or implied, have been made by or on behalf of the Authority in respect of the Projects, and the Authority will in no event whatsoever be liable for any latent or patent defects in the Projects or the Properties.

The County represents that, except as permitted by the Contract, it will not use, or permit the use of, any portion of any Project by any person or entity for any private business use, other than a state or

local governmental unit. The County may use, or permit the use of, any portion of a Project by any person or entity that is not a state or local governmental unit or other “exempt person” as defined in the Code for any private business use; provided that (i) not more than sixty (60) nor less thirty (30) days prior to the effective date of such proposed use, the County is to furnish or cause to be furnished to the Authority a written description of the nature, scope and duration of such proposed use, and (ii) a nationally recognized bond counsel has delivered to the Authority an opinion that such proposed use will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Release of Portions of the Properties (Section 10.03)

The County and the Authority reserve the right to amend the Contract for the purpose of effecting the release of and removal from the Contract of any part of any Property with respect to which the County or a transferee of the County proposes to convey fee title to a public utility or public body in order that utility services or roads or other services may be provided for such Property or portion thereof. If at the time any such amendment is made, any of the Bonds is outstanding and unpaid there are deposited with the Trustee the following: (i) a copy of the amendment or easement as executed; (ii) a resolution of the Board of Supervisors of the County stating that the County is not in default under any of the provisions of the Trust Agreement and the Authority is not to the knowledge of the County in default under any of the provisions of the Contract, giving an adequate legal description of that portion of such Property to be released, and stating the purpose for which the County desires the release; (iii) a certificate showing that the Authority has approved such amendment and stating that the Authority is not in default under any of the provisions of the Contract; and (iv) a certificate of an appropriate County Representative stating that the proposed release will not impair the usefulness of such Property as an adult detention facility, fire station facility, animal shelter facility, or park facility, as appropriate, and in the case of the land that constitutes a portion of a Property will not destroy the means of ingress to and egress therefrom.

Notwithstanding any other provisions of the Contract, the County may sell or otherwise dispose of its interest in any unimproved parts of the Properties (on which neither the Buildings or the utilities that serve them are located); provided, that if at the time any such sale or other disposition is proposed, all or any of the Bonds is outstanding and unpaid, there will be deposited with the Trustee the following: the documents described in clauses (i), (ii) and (iii) in the paragraph above, and a certificate of an appropriate County Representative, dated not more than sixty (60) days prior to the date of the disposition, stating that, in the opinion of the person signing such certificate, the release proposed to be made will not impair the usefulness of Buildings as police station facilities, general office building facilities, commuter parking facilities, or jail facilities, and will not destroy the means of ingress thereto and egress therefrom.

Granting of Easements (Section 10.04)

The County and its transferees may grant or release easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges, so long as such grant or release will not materially adversely affect the usefulness of the ADC Property as a site for detention center facilities, the Animal Shelter Property as a site for animal shelter facilities, the Fire Station Property as a site for fire station facilities or any 2010 Property as a site for park facilities, as appropriate.

Assignment, Leasing and Subleasing (Section 10.05)

Neither the Contract nor the rights and obligations of the County thereunder the Contract will be assigned in whole or in part without the consent of the Authority. However, no assignment will relieve the County from primary liability for any of its obligations under the Contract.

Assignment of Contract by the Authority (Section 10.06)

The Authority will assign its interest in and pledge all money receivable under the Contract, other than the Additional Contract Payments, to the Trustee pursuant to the Trust Agreement as security for payment of the Bonds. The County agrees to make all Basic Contract Payments and payments to be credited against Basic Contract Payments directly to the Trustee for the account of the Authority.

County Options to Terminate (Section 10.07)

The County may terminate the Term by paying to the Trustee, for the account of the Authority, an amount that will be sufficient to purchase, redeem or defease all the outstanding Bonds under the Trust Agreement and with the provisions of the Trust Agreement, and in case of redemption, making arrangements satisfactory to the Trustee for giving the required notice of redemption.

Permitted Use (Section 11.01)

The County is to use, or cause to be used, the Properties facilities for public purposes permitted by the Enabling Act. The County is not to use, or suffer anyone else to use, the Properties for other than public purposes permitted by the Enabling Act.

No Illegal or Hazardous Use (Section 11.02)

The County will not use or permit the Properties or any part thereof to be used for any unlawful or illegal business, use or purpose, or in such manner as to constitute a nuisance of any kind (public or private).

Events of Default (Section 12.01)

Except in an Event of Non-Appropriation as described in the following caption, each of the following events is an “Event of Default” under the Contract: (a) if the County fails to make any Basic Contract Payment or any part thereof on the due date thereof and such failure continues for one business day; or (b) if the County fails (i) to maintain or cause to be maintained the insurance required by the Contract, or (ii) to make any Additional Contract Payment, or any other payment under the Contract, required to be paid by the County under the Contract for a period, after notice thereof from the Authority to the County, of forty-five (45) days; or (c) if the County fails to observe or perform one or more of the other material terms, conditions, covenants or agreements of the Contract or any representation, and such failure or misrepresentation will continue for a period of ninety (90) days after written notice thereof; or (d) if the County admits, in writing, that it is unable to pay its debts as such become due or will make an assignment for the benefit of creditors; or (e) if the County files a voluntary petition in bankruptcy or the County is adjudicated a bankrupt or insolvent; or (f) if a bankruptcy or dissolution proceeding brought against the County will not have been dismissed, or the appointment of a trustee has not been vacated or stayed within ninety (90) days, or if, within thirty (30) days after the expiration of any such stay, such appointment has not been vacated.

Force Majeure (Section 12.02)

Clause(c) under “Events of Default” above are limited subject to the following limitations: if by reason of Force Majeure, the County is unable in whole or in part to carry out any of its agreements herein contained, failure of the County to carry out any such agreements, will not be deemed an Event of Default Clause(c) under “Events of Default” above during the continuance of such inability, including a reasonable time for the removal of the effect thereof.

The term “Force Majeure” means, without limitation, the following:

(a) acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies, political subdivisions or officials (other than the County), or any civil or military authority; war; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; droughts; floods; washouts; arrests; restraint of government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or

(b) any cause, circumstance or event not reasonably within the control of the County.

(c) The County agrees, however, to use commercially reasonable efforts to remedy with all reasonable dispatch the Force Majeure preventing it from carrying out its agreements; provided, that the settlement of any disputes of any nature will be entirely within the discretion of the County, and the County will not be required to make settlement or any such disputes by acceding to the demands of the opposing party or parties when such course is, in the judgment of the County Attorney for the County, unfavorable to the County.

Non-Appropriations (Section 12.03)

Anything to the contrary notwithstanding elsewhere in the Contract, the failure of the County to pay all or any portion of any amount otherwise due and payable under the Contract to or for the account of the Authority or the Trustee on account of the failure of the Board of County Supervisors of the County to appropriate such sum (an “Event of Non-Appropriation”) will not, to the extent of such failure, constitute a Default or an Event of Default under the Contract.

Remedies (Section 12.04)

If an Event of Default has occurred and is continuing, the Authority may, at its option, declare all installments of Basic Contract Payments for the remainder of the Term to be immediately due and payable.

In an Event of Default, the Authority may take whatever action at law or in equity may appear necessary or desirable to collect the Contract Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the County under the Contract.

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APPENDIX D

FORM OF BOND COUNSEL OPINION

[Closing Date]

Industrial Development Authority
of the County of Prince William
Prince William, Virginia

We have acted as Bond Counsel to the Industrial Development Authority of the County of Prince William (the “Authority”) in connection with the issuance of

\$ _____
Industrial Development Authority of the County of Prince William
Prince William County Facilities Revenue and Refunding Bonds, Series 2020A
(County Facilities Projects)
(the “Series 2020A Bonds”)

The Series 2020A Bonds are being issued pursuant to the Industrial Development and Revenue Bond Act, Title 15.2, Chapter 49 of the Code of Virginia of 1950, as amended, and other applicable law (collectively, the “Enabling Act”) to (i) finance the improvement of certain property (collectively, the “2020 Projects”) to be used by Prince William County, Virginia (the “County”), (ii) refund the outstanding Park Facilities County Contribution Revenue Bonds, Series 2010 (the “2010 Park Bonds”), issued by the Prince William County Park Authority, which has since been consolidated with the County, to refinance certain park facilities (the “2010 Projects” and, together with the 2020 Projects, the “Projects”) and (iii) pay costs of issuance of the Series 2020A Bonds.

Simultaneously with the issuance of the Series 2020A Bonds, the Authority will make a portion of the proceeds of the Series 2020A Bonds available to the County for the purpose of the development and construction of the 2020 Projects and to refund the 2010 Park Bonds. In addition, the Authority will sell its interests in the Projects to the County and agree to refinance the 2010 Projects in consideration of the County’s undertaking responsibility for the Projects and the County’s agreement to pay a purchase price for the Projects in installments (“Payments”), sufficient to pay timely the debt service on the outstanding Series 2020A Bonds, all pursuant to an Installment Purchase Contract, dated as of October 1, 2020 (the “Installment Purchase Contract”), between the Authority and the County.

The Series 2020A Bonds are being issued under and secured by a Master Trust Agreement, dated as of March 1, 2016 (the “Master Trust Agreement”), as supplemented by a Second Supplemental Trust Agreement, dated as of October 1, 2020 (the “Second Supplemental Trust Agreement” and together with the Master Trust Agreement, the “Trust Agreement”), each between the Authority and U.S. Bank National Association, as trustee (in such capacity, the “Trustee”), pursuant to which the Authority has assigned to the Trustee substantially all of its rights under the Installment Purchase Contract, including its right to receive the Payments. Under and subject to the requirements of the Master Trust Agreement, the Authority may issue additional bonds for other facilities for the County as permitted by the Enabling Act, and such additional bonds and any refunding bonds issued under the Master Trust Agreement will rank on a parity with the Series 2020A Bonds and with the Authority’s Prince William County Facilities Revenue and Refunding Bonds Series 2016A (County Facilities Projects) previously issued under the Master Trust Agreement (together with any such additional and refunding bonds, the “Bonds”) as to the revenues pledged under the Master Trust Agreement (“Pledged Revenues”), including the Payments to be made by

the County pursuant to the Installment Purchase Contract, as security for the payment of debt service on the outstanding Bonds, including the 2020A Bonds.

The Series 2020A Bonds are dated and bear interest, and are stated to mature, subject to optional redemption, extraordinary optional redemption [and mandatory sinking fund redemption], all as provided in the Trust Agreement.

In our capacity as Bond Counsel, we have examined the Enabling Act and such documents, records of the Authority and the County, and other instruments and proofs, including counterparts or certified copies of the Trust Agreement and the Installment Purchase Contract, as we deemed necessary to enable us to express the opinions set forth below.

Based on the foregoing we are of the opinion that:

1. The Authority is by the terms of the Enabling Act a political subdivision of the Commonwealth of Virginia (the "Commonwealth") and a public instrumentality of the County duly created pursuant to the laws of the Commonwealth, including, in particular, the Enabling Act, with full authority to acquire and sell the Projects, to enter into the Trust Agreement and the Installment Purchase Contract, and to issue and sell the Series 2020A Bonds.

2. The County is a political subdivision of the Commonwealth with full authority to acquire the Projects and refinance the 2010 Projects and to enter into the Installment Purchase Contract.

3. The Installment Purchase Contract has been duly authorized, executed and delivered by the Authority and the County and constitutes a legal, valid and binding obligation of the parties enforceable in accordance with its terms. The obligation of the County to make the Payments under the Installment Purchase Contract is expressly therein made subject to the annual appropriation by the Prince William Board of County Supervisors of funds for such purpose.

4. The Trust Agreement has been duly authorized, executed and delivered by the Authority and the Trustee and constitutes a legal, valid and binding obligation of the parties enforceable in accordance with its terms. Under the Trust Agreement, the Authority has validly assigned substantially all of its rights under the Installment Purchase Contract (including its rights to receive Payments) to the Trustee for the benefit of the holders of the Bonds.

5. The issuance and sale of the Series 2020A Bonds have been duly authorized by the Authority, and the Series 2020A Bonds have been duly executed and delivered by the Authority and constitute legal, valid and binding limited obligations of the Authority payable under the Trust Agreement in accordance with their terms solely from Pledged Revenues and other money pledged therefor to the extent provided in the Trust Agreement. The Series 2020A Bonds shall not be deemed to constitute a debt or pledge of the faith and credit of the Commonwealth or any political subdivision thereof, including the County and the Authority. None of the Commonwealth, any political subdivision thereof and the Authority shall be obligated to pay the Series 2020A Bonds or the interest thereon or other costs incident thereto except from the revenues and money pledged therefor. Neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the County and the Authority, is pledged to the payment of the principal of the Series 2020A Bonds or the interest thereon or other costs incident thereto.

6. Except as otherwise provided in the following sentences of this paragraph and assuming compliance by the Authority and the County with their respective covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Series

2020A Bonds is not includable in the gross income of the owners thereof for federal income tax purposes under current law. Interest on the Series 2020A Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of such Series 2020A Bonds in the event of a failure by the Authority or the County to comply with applicable requirements of the Code and their respective covenants regarding use, expenditure and investment of proceeds of the Series 2020A Bonds and the timely payment by the Authority of certain investment earnings to the United States Treasury. We render no opinion as to the effect on the exclusion from gross income of the interest on the Series 2020A Bonds for federal income tax purposes of any action taken or not taken without our approval or upon the advice or approval of counsel other than us. Interest on the Series 2020A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. The Code contains other provisions that could result in tax consequences, as to which we render no opinion, as a result of ownership of such Series 2020A Bonds or the inclusion in certain computations of interest that is excluded from gross income.

7. The income on the Series 2020A Bonds, including any profit made on the sale thereof, is exempt from all taxation by the Commonwealth or any political subdivision thereof.

Other than as described herein, we have not addressed nor are we opining on the tax consequences to any person of the investment in, or the receipt of any interest on, the Series 2020A Bonds.

The opinions contained in paragraphs 3, 4 and 5 above are qualified to the extent that the enforceability of the Installment Purchase Contract, the Trust Agreement and the Series 2020A Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization, or other laws affecting creditors' rights generally and may be subject to judicial discretion. For purposes of our opinions in paragraphs 1, 3, 4 and 5, we have relied upon the opinion of McGuireWoods LLP respecting the existence and organization of the Authority and its due authorization and execution of the Installment Purchase Contract, the Trust Agreement and the Series 2020A Bonds. For purposes of our opinions in paragraphs 2 and 3, we have relied upon the opinion of the Prince William County Attorney respecting the existence and organization of the County and its due authorization and execution of the Installment Purchase Contract.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions. Such opinions may be adversely affected by actions taken or events occurring, including a change in law, regulation or ruling (or in the application or official interpretation of any law, regulation, or ruling) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions are taken or such events occur, and we have no obligation to update such opinions in light of such actions or events.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Agreement”), dated as of October __, 2020, is executed and delivered by Prince William County, Virginia (the “County”), connection with the issuance by the Industrial Development Authority of the County of Prince William, Virginia (the “Authority”) of its \$_____ Prince William County Facilities Revenue and Refunding Bonds, Series 2020A (County Facilities Projects) (the “Bonds”) pursuant to a resolution adopted by the Board of Directors of the Authority on _____, 2020 (the “Authorizing Resolution”) and under a Master Trust Agreement, dated as of April 1, 2016, as supplemented by a Second Supplemental Trust Agreement, dated as of October 1, 2020 (collectively, the “Trust Agreement”), each between the Authority and U.S. Bank National Association, as trustee. The County agrees as follows:

ARTICLE I DEFINITIONS

Section 1.1. Definitions. The following terms used in this Agreement shall have the following respective meanings:

“Annual Financial Information” means, collectively, (1) the financial information and operating data with respect to the County for each fiscal year of the type described in *Appendix A* to the Official Statement under the captions “Assessed and Estimated Market Value of Taxable Property,” “Taxable Retail Sales,” “General Fund Revenues, Expenditures, Transfers and Changes in Fund Balance,” “General Fund Tax Revenues by Source,” “Property Tax Levies and Collections,” “Property Tax Rates per \$100 of Assessed Value,” “General Fund Balances,” “Net Tax-Supported Debt Outstanding,” and “Debt Service by Fiscal Year,” and (2) information regarding any amendments to this Agreement required pursuant to Sections 4.2(c) and (d) of this Agreement. Annual Financial Information shall include Audited Financial Statements, if available, or Unaudited Financial Statements.

The descriptions contained in clause (1) above of financial information and operating data constituting Annual Financial Information are of general categories of financial information and operating data. Where such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information.

“Audited Financial Statements” means the annual financial statements, if any, of the County, audited by such auditor as shall then be required or permitted by State law or the Trust Agreement. Audited Financial Statements shall be prepared in accordance with GAAP for governmental units as prescribed by GASB; provided, however, that the County may from time to time, if required by federal or State legal requirements, modify the basis upon which its financial statements are prepared.

“Counsel” means Norton Rose Fulbright US LLP, or other nationally recognized bond counsel or counsel expert in federal securities laws, in each case acceptable to the County.

“Filing Date” shall have the meaning given to such term in Section 3(a) hereof.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the twelve month period at the end of which financial position and results of operations are determined. Currently, the County’s Fiscal Year begins July 1 and continues through June 30 of the next calendar year.

“GAAP” means generally accepted accounting principles for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”).

“Holder” or **“holder”** shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a Bond.

“Material Event” means any of the following events with respect to the Bonds, whether relating to the County or otherwise:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults; if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 570-TEB) or other material notices or determinations with respect to or events affecting the tax status of the Bonds;
- (g) modifications to rights of holders, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the County;
- (m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating any such actions, other than pursuant to its terms, if material;

- (n) appointment of a successor or additional paying agent or the change of name of a paying agent, if material;
- (o) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding clause (1) of the defined term “Material Event” is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the County in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County, and (b) the County intends the words used in the immediately preceding clauses (o) and (p) of the defined term “Material Event” and the definition of Financial Obligation in this Section 1.1 to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

“Material Event Notice” means notice of a Material Event.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

“Official Statement” means the “final official statement” with respect to the Bonds as defined in paragraph (f)(3) of the Rule.

“Participating Underwriter” shall mean any of the original underwriters of the County’s Bonds required to comply with the Rule in connection with the offering of such Bonds.

“Repository” means The Electronic Municipal Market Access (“EMMA”) system administered by the MSRB. EMMA is recognized as a national Repository for purposes of the Rule.

“Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12), as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

“SEC” means the United States Securities and Exchange Commission.

“State” means the Commonwealth of Virginia.

“Unaudited Financial Statements” has the same meaning as Audited Financial Statements, except the same shall not have been audited.

“Underwriters” means the winning bidder of the Bonds.

ARTICLE II THE UNDERTAKING

Section 2.1. Purpose. This Agreement shall constitute a written undertaking for the benefit of the holders of the Bonds, and is being executed and delivered solely to assist the Underwriters in complying with paragraph (b)(5) of the Rule.

Section 2.2. Annual Financial Information.

(a) The County shall provide Annual Financial Information for the County with respect to each fiscal year of the County, that is not later than March 31 after the end of any fiscal year (commencing with its fiscal year ended June 30, 2020), to the Repository.

(b) The County shall provide, in a timely manner, notice of any failure of the County to provide the Annual Financial Information by the date specified in subsection (a) above to the Repository.

Section 2.3. Audited Financial Statements. If not provided in conjunction with the Annual Financial Information by the dates required by Section 2.2(a) hereof, the County shall provide Audited Financial Statements, when and if available, to the Repository.

Section 2.4. Notices of Material Events.

(a) If a Material Event occurs, the County shall provide, a Material Event Notice to the Repository no later than ten (10) business days after the occurrence of such Material Event.

(b) Upon any legal defeasance of the Bonds, the County shall provide notice of such defeasance to each the Repository, which notice shall state whether the Bonds to be defeased have been defeased to maturity or to a redemption date and the timing of such maturity or redemption.

Section 2.5. Additional Disclosure Obligations. The County acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and SEC Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the County, and that under some circumstance compliance with this Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the County under such laws.

Section 2.6. Additional Information. Nothing in this Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information or Material Event Notice, in addition to that which is required by this Agreement. If the County chooses to include any information in any Annual Financial Information or Material Event Notice in addition to that which is specifically required by this Agreement, the County shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information or Material Event Notice.

Section 2.7. No Previous Non-Compliance. The County represents that, except as disclosed in the Official Statement dated, October __, 2020, with respect to the Bonds, it has not failed to comply in any material respect during the five-year period preceding the date of the Official Statement, with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

ARTICLE III OPERATING RULES

Section 3.1. Reference to Other Documents. It shall be sufficient for purposes of Section 2.2 hereof if the County provides Annual Financial Information by specific reference to documents (i) either (1) provided to Repository, or (2) filed with the SEC, or (ii) if such a document is an Official Statement, available from the Repository.

Section 3.2. Submission of Information. Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

Section 3.3. Material Event Notices. Each Material Event Notice shall be so captioned and shall prominently state the title, date and CUSIP numbers of the Bonds.

Section 3.4. Transmission of Information and Notices. Unless otherwise required by law and, in the County's sole determination, subject to technical and economic feasibility, the County shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of the County's information and notices.

ARTICLE IV TERMINATION, AMENDMENT AND ENFORCEMENT

Section 4.1. Termination.

(a) The County's obligations under this Agreement shall terminate upon legal defeasance, prior redemption or payment in full of all of the Bonds.

(b) This Agreement or any provision hereof shall be null and void in the event that the County (1) receives an opinion of Counsel, addressed to the County, to the effect that those portions of the Rule which require the provisions of this Agreement or any of such provisions do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the Repository.

Section 4.2. Amendment.

(a) This Agreement may be amended, by written agreement of the Director of Finance of the County, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the County or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the County shall have received an opinion of Counsel addressed to the County, to the same effect as set forth in clause (2) above and further to the effect that the amendment does not materially impair the interests of the holders of the Bonds and (4) the County delivers copies of such opinion and amendment to the Repository.

(b) In addition to subsection (a) above, this Agreement may be amended and any provision of this Agreement may be waived, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date hereof which is applicable to this Agreement,

(2) the County shall have received an opinion of Counsel to the effect that performance by the County under this Agreement as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule and (3) the County shall have delivered copies of such opinion and amendment to the Repository.

(c) To the extent any amendment to this Agreement results in a change in the types of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change.

(d) If an amendment is made to the accounting principles to be followed in preparing financial statements, the Annual Financial Information for the year in which the change is made shall present, to the extent practicable, a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Section 4.3. Benefit; Third-Party Beneficiaries; Enforcement.

(a) The provisions of this Agreement shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Bonds. Beneficial owners of Bonds shall be third-party beneficiaries of this Agreement.

(b) Except as provided in this subparagraph (b), the provisions of this Agreement shall create no rights in any person or entity. The obligations of the County to comply with the provisions of this Agreement shall be enforceable by the holders of the Bonds, including beneficial owners thereof. The rights of the holders of Bonds to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the County's obligations under this Agreement and the Trust Agreement. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to subsection (a) of this Section 4.3, beneficial owners shall be deemed to be holders of Bonds for purposes of this subsection (b).

(c) Any failure by the County to perform in accordance with this Agreement shall not constitute a default under the Trust Agreement and any rights and remedies provided by the Trust Agreement upon the occurrence of a default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first above written.

PRINCE WILLIAM COUNTY, VIRGINIA

By: _____
Director of Finance

APPENDIX F

Notice of Sale

MOTION: ANGRY

September 22, 2020

SECOND: LAWSON

Regular Meeting

Res. No. 20-650

RE: ACCEPT, BUDGET, AND APPROPRIATE TO THE PRINCE WILLIAM PUBLIC LIBRARIES \$24,284.16 AWARDED FROM THE SCHOOLS AND LIBRARIES PROGRAM OF THE UNIVERSAL SERVICE FUND (E-RATE) FOR INTERNET ACCESS IN THE PRINCE WILLIAM PUBLIC LIBRARIES

ACTION: APPROVED

WHEREAS, the Schools and Libraries Program of the Universal Service Fund (E-Rate) provides funds to assist schools and libraries to obtain affordable telecommunications, Wi-Fi, and internet access; and

WHEREAS, the Prince William Public Libraries have sought funding assistance through the E-Rate program to provide internet access; and

WHEREAS, E-Rate has provided a funding commitment of \$24,284.16 to the Prince William Public Libraries; and

WHEREAS, the Finance Department has verified the award of said funds and the need described herein to budget and appropriate funding;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby accepts, budgets, and appropriates \$24,284.16 in revenue from the E-Rate program to the Prince William Public Libraries for internet access;

BE IT FURTHER RESOLVED that the Prince William Board of County Supervisors hereby authorizes all unexpended balances specific to this award to carry forward to the next fiscal year.

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

For Information:

Library Director

ATTEST:



Clerk to the Board

MOTION: ANGRY

September 22, 2020

SECOND: LAWSON

Regular Meeting

Res. No. 20-651

RE: AUTHORIZE MEMORANDUM OF UNDERSTANDING, AND ACCEPT, BUDGET, AND APPROPRIATE \$1,000,000 IN CORONAVIRUS RELIEF FUNDS ALLOCATED FROM THE VIRGINIA DEPARTMENT OF HEALTH TO INCREASE COVID-19 TESTING CAPACITY

ACTION: APPROVED

WHEREAS, on March 12, 2020, Governor Ralph S. Northam declared a state of emergency in the Commonwealth of Virginia due to Novel Coronavirus (COVID-19), a communicable disease of public health threat; and

WHEREAS, the threat to the public health and safety of the residents of Prince William County from exposure to the Novel Coronavirus (COVID-19) constitutes an emergency, crisis and disaster of such sufficient severity and magnitude to warrant a coordinated response by various County departments, agencies and voluntary organizations; and

WHEREAS, on March 31, 2020, the Prince William Board of County Supervisors ratified and confirmed the actions taken by the County Executive, acting in his capacity as Director of Emergency Management, to declare a local emergency for Prince William County, to perform all of those acts set forth in Section 44-146.21(C) VA Code Ann.; and

WHEREAS, Congress passed, and the President signed, the Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020, which provides funding for several different programs to address the COVID-19 pandemic, including assistance to state and local governments; and

WHEREAS, the CARES Act created the Coronavirus Relief Fund (CRF) to provide funding to State and local governments to be used only:

- for necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020 (the enactment date of the CARES Act) for the State or government; and
- to cover costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020; and

WHEREAS, allocations were sent to states based on population and the Commonwealth of Virginia received \$3.1 billion as its share of the Coronavirus Relief Fund payment; and

WHEREAS, the Commonwealth of Virginia has allocated CRF funding to the Virginia Department of Health to increase community-based COVID-19 testing capacity in every local health district; and

September 22, 2020
Regular Meeting
Res. No. 20-651
Page Two

WHEREAS, the Prince William Health District has requested that its \$1,000,000 allocation for COVID-19 testing be awarded to Prince William County to add capacity to the Community Testing Taskforce efforts across the Health District; and

WHEREAS, this funding will be used to support ongoing COVID-19 testing purposes including, but not limited to staffing, supplies, laboratory capacity, sample collection, and sample processing for free COVID-19 testing sites within the Prince William Health District; and

WHEREAS, the County must also enter into a Memorandum of Understanding (MOU) with Virginia Department of Health (VDH) that outlines the details and performance metrics the County must meet while administering COVID-19 test sites for the Community Testing Taskforce to receive the funding;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby authorizes the Memorandum of Understanding and accepts, budgets, and appropriates \$1,000,000 in Coronavirus Relief Funds allocated from the Virginia Department of Health to increase COVID-19 testing capacity and authorizes the County Executive to execute the Memorandum of Understanding.

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

ATTEST: _____



Clerk to the Board

MOTION: ANGRY

September 22, 2020

SECOND: LAWSON

Regular Meeting

Res. No. 20-652

RE: RATIFY GRANT APPLICATION TO THE VIRGINIA DEPARTMENT OF CRIMINAL JUSTICE SERVICES FOR THE JAIL MENTAL HEALTH PILOT PROGRAM; ACCEPT, BUDGET, AND APPROPRIATE \$351,909 IN GRANT FUNDING TO THE PRINCE WILLIAM-MANASSAS REGIONAL ADULT DETENTION CENTER FOR THE PURPOSE OF MENTAL HEALTH AND RE-ENTRY SERVICES

ACTION: APPROVED

WHEREAS, the Prince William-Manassas Regional Adult Detention Center (ADC) serves Prince William County and the Cities of Manassas and Manassas Park; and

WHEREAS, the ADC responded to the continuation of a grant to continue a Jail Mental Health Pilot Program, which will provide a Jail Mental Health Therapist and mental health services to female offenders; and

WHEREAS, the Department of Criminal Justice Services approved grant funding in the amount of \$351,909 which will cover the costs to maintain one full-time Jail Mental Health Therapist, one full-time Re-entry Specialist and provide therapeutic programming, transitional medication, public transportation, emergency housing, staff training, and an increase in psychiatric services; and

WHEREAS, providing a full-time Jail Mental Health Therapist and a full-time Jail Re-Entry Therapist, is consistent with the Safe and Secure Strategic Outcome of reducing recidivism of mentally ill offenders by 5%, and the overall reduction in recidivism by 20%; and

WHEREAS, this grant is 100% State-funded and the pilot program would end without the ratification of the grant application; and

WHEREAS, the ADC proposes maintaining the two full-time positions through grant;

NOW, THEREFORE, BE IT RESOLVED that the Prince William County Board of Supervisors hereby ratifies the grant application to the Virginia Department of Criminal Justice Services for the Jail Mental Health Pilot Program; budgets and appropriates \$351,909 in Grant Funding to the Prince William-Manassas Regional Adult Detention Center, for the purposes of mental health, and re-entry services, and to maintain one full-time jail therapist and one full-time jail re-entry therapist position.

September 22, 2020

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Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

For Information:

ADC Director of Classification and Treatment

ATTEST: _____

Handwritten signature of Andrea P. Madden in blue ink.

Clerk to the Board

MOTION: ANGRY

September 22, 2020

SECOND: LAWSON

Regular Meeting

Res. No. 20-653

RE: RATIFY THE DEPARTMENT OF PARKS, RECREATION, AND TOURISM'S DEFENSE COMMUNITY INFRASTRUCTURE PROGRAM GRANT APPLICATION; ACCEPT, BUDGET, AND APPROPRIATE UP TO \$250,000 CONTINGENT UPON AWARD; AND TRANSFER, BUDGET, AND APPROPRIATE \$250,000 IN PARK AND RECREATION PROFFER FUNDS CONTINGENT UPON AWARD FOR CONSTRUCTION OF A CHALLENGE COURSE AND ASSOCIATED ACCESSIBILITY IMPROVEMENTS AT LOCUST SHADE PARK – POTOMAC MAGISTERIAL DISTRICT

ACTION: APPROVED

WHEREAS, on June 16, 2020, upon issuance of Directive Number 20-46 from the Board of County Supervisors (BOCS) the Department of Parks, Recreation, and Tourism (DPRT) submitted a proposal to the Department of Defense (DOD) for a Defense Community Infrastructure Program (DCIP) 50 / 50 matching grant in the amount of \$250,000 to construct a Challenge Course and associated accessibility improvements at Locust Shade Park; and

WHEREAS, on August 10, 2020, the DOD invited DPRT to apply for a \$250,000 matching DCIP grant and DPRT submitted an application on August 26, 2020 and;

WHEREAS, the proposed Challenge Course will be a *Ninja Warrior*-style playground system that will replace four of the six existing dilapidated tennis courts at Locust Shade Park, and will be complimented by a children's playground, accessible parking spaces, and an accessible connection to the existing comfort station; and

WHEREAS, the project will expand the capacity of Locust Shade Park and its facilities by providing expanded recreational opportunities for citizens of all ages and abilities; and

WHEREAS, the total estimated project cost is \$550,000; and

WHEREAS, through Directive Number 20-46, Supervisor Bailey pledged matching funds of \$250,000 in Potomac District General Use Parks and Recreation Proffers; and

WHEREAS, the developer, Mallards Overlook South (PLN2014-00374, PR2016-00377) in the Potomac Magisterial District has contributed \$259,915.73 in general use proffers to be used for Parks and Recreation facilities; and

WHEREAS, the Department of Parks, Recreation, and Tourism has requested the transfer, budget, and appropriation of \$250,000 in available proffer funds contributed by Mallards Overlook South to contribute towards the required grant matching funds for the Warrior Challenge Course; and

WHEREAS, the use of the funds for this purpose is consistent with the proffer conditions; and

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Res. No. 20-653
Page Two

WHEREAS, the remaining \$50,000 in estimated project costs is available in DPRT's Fiscal Year (FY) 2021 Capital Maintenance Program Fund; and

WHEREAS, it is in the community's financial interest to leverage grant funds for Capital Improvement Projects;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby ratifies the Department of Parks, Recreation, and Tourism's Defense Community Infrastructure Program Grant application; accepts, budgets, and appropriates up to \$250,000 contingent upon award, transfers, budgets, and appropriates \$250,000 in Park and Recreation proffer funds, contingent upon award, for construction of a challenge course and associated accessibility improvements at Locust Shade Park;

BE IT FURTHER RESOLVED that the Prince William Board of County Supervisors hereby authorizes the Department of Parks, Recreation, and Tourism Director to execute such documents to affect the intent of this resolution and approves as to form by the County Attorney's Office

BE IT FURTHER RESOLVED that the Prince William Board of County Supervisors hereby authorizes the creation of a capital project for the construction of a challenge course and associated accessibility improvements at Locust Shade Park, contingent upon grant award;

BE IT FURTHER RESOLVED that the Prince William Board of County Supervisors hereby authorizes the Department of Finance to carry forward all unexpended amounts specific to this request to the next fiscal year.

Votes:

Ayes: Angry, Bailey, Boddy, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

ATTEST:



Clerk to the Board

MOTION: ANGRY

September 22, 2020

SECOND: LAWSON

Regular Meeting

Res. No. 20-654

RE: ACCEPT, BUDGET, AND APPROPRIATE A NET DECREASE OF \$14,926 IN GRANT REVENUE FROM VIRGINIA HOUSING AND THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TO VIRGINIA COOPERATIVE EXTENSION FOR FISCAL YEAR 2021

ACTION: APPROVED

WHEREAS, Virginia Cooperative Extension Prince William (VCEPW) has been awarded additional HUD grant funding of \$6,700 by Virginia Housing to continue providing financial education and housing counseling services to the residents of Greater Prince William County; and

WHEREAS, VCEPW was awarded \$21,626 less than expected for other grants from Virginia Housing to continue providing financial education and housing counseling services to the residents of Greater Prince William County; and

WHEREAS, the budget impact of these changes in grant awards is a net reduction in grant awards of \$14,926; and

WHEREAS, the Finance Department has verified the award of said funds and the need described herein to budget and appropriate funding for services that are time sensitive and must be budgeted and appropriated for the continuation of service delivery by Virginia Cooperative Extension;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby accepts, budgets, and appropriates a one-time revenue and expenditure budget decrease of \$14,926 in the Virginia Cooperative Extension's Fiscal Year 2020 adopted budget to reconcile these grant awards;

BE IT FURTHER BE RESOLVED that the Prince William Board of County Supervisors hereby authorizes all unexpended eligible balances specific to this revenue to carry forward to Fiscal Year 2022.

September 22, 2020

Regular Meeting

Res. No. 20-654

Page Two

Votes

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

For Information:

Virginia Cooperative Extension-Prince William

ATTEST:

A handwritten signature in blue ink, reading "Andrea P. Madden", is written over a horizontal line.

Clerk to the Board

MOTION: ANGRY

September 22, 2020

SECOND: LAWSON

Regular Meeting

Res. No. 20-655

RE: AUTHORIZE A LEASE WITH NEXTGEN HOLDINGS, LLC FOR 9400 INNOVATION DRIVE, SUITE 130, MANASSAS, VIRGINIA, AND TRANSFER \$185,000 FROM CONTINGENCY TO THE DEPARTMENT OF FACILITIES AND FLEET MANAGEMENT FOR FIRST-YEAR COSTS ASSOCIATED WITH THE NEW LEASE – BRENTSVILLE MAGISTERIAL DISTRICT

ACTION: APPROVED

WHEREAS, the Brentsville District Supervisor's office is currently located at 9440 Innovation Drive in Manassas, Virginia; and

WHEREAS, the Brentsville District Supervisor wishes to relocate the Brentsville District Office to new office space with more suitable office environment for its constituents; and

WHEREAS, the new office space is available at 9400 Innovation Drive, Suite 130, in Manassas, Virginia, with 2,475 square feet of available office space to lease that will meet the needs of the Brentsville District Supervisor's office; and

WHEREAS, the new lease has been negotiated for 9400 Innovation Drive, Suite 130, at a rate of \$24.00 per square foot with 3.0% annual escalations and a term of ten years; and

WHEREAS, first-year costs for the new lease space include rent for Fiscal Year 2021, County telecommunications installation, new furniture, security equipment, and moving services totaling approximately \$185,000. Funding for the first-year costs is available in contingency;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby authorizes the lease with NextGen Holdings, LLC for 9400 Innovation Drive, Suite 130, in Manassas, Virginia, in the Brentsville Magisterial District;

BE IT FURTHER RESOLVED that the Prince William Board of County Supervisors hereby authorizes the transfer of \$185,000 from Contingency to the Department of Facilities and Fleet Management for first-year costs associated with the new lease;

BE IT FURTHER RESOLVED that the Prince William Board of County Supervisors hereby authorizes the Acting Director of Facilities and Fleet Management, or his designee, to execute the lease and sign such documents approved as to form by the County Attorney's Office.

ATTACHMENT: Lease Agreement with NextGen Holdings, LLC

September 22, 2020

Regular Meeting

Res. No. 20-655

Page Two

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

For Information:

Acting Director of Facilities and Fleet Management

County Attorney

ATTEST: _____

Andrea P. Madden

Clerk to the Board

LEASE AGREEMENT

BY AND BETWEEN

Board of County Supervisors of Prince William County, Virginia

AND

**NextGen Holdings, LLC.
3450 Windmill Ranch Rd
Weston, FL 33331**

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LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is dated as of September 8, 2020, by and between NextGen Holdings, LLC., a West Virginia limited partnership ("Landlord"), and the Board of County Supervisors of Prince William County, Virginia ("Tenant").

ARTICLE I Definitions

1.1 **Building:** A two (2) story office building containing approximately Thirty-Three thousand and two hundred thirty six (**33,236**) square feet of rentable area, known as NextGen Corporate Center and located on approximately 4 acres of land at 9400 Innovation Drive, Manassas, VA .

1.2 **Premises:** Approximately Two Thousand Four Hundred Seventy Five (2,475) square feet of rentable area located on the first (1st) floor of the Building and outlined on Exhibit A and also known as suite 130.

1.3 **Lease Term:** The initial term shall be for Ten (10) years.

1.4 **Anticipated Occupancy Date: The Anticipated Occupancy Date is expected to be November 1, 2020.** It is anticipated that the Tenant will approve final build-out design by September 1, 2020. It is also anticipated that the Tenant will qualify for "fast-track" approval by the Prince William County.

1.5 **Base Rent: Fifty Nine Thousand Four Hundred and 00/100 Dollar (\$59,400.00) per annum,** or Four Thousand Nine Hundred Fifty and 00/100 Dollars per month (\$4,950.00)

1.6 **Base Rent Annual Escalation Percentage:** Three percent (3%).

1.7 **Operating Charges Base Year:** Calendar year 2020.

1.8 **Security Deposit: \$0.00**

1.9 **Build-out:** Landlord will provide turn-key build-out of Tenant space using office standard materials and options. The buildout shall substantially adhere to the plan submitted by the Tenant and attached as Exhibit E. This buildout will be for the design, permitting, and construction of the premises.

1.10 **Tenant Address for Notices:**

Prince William County Board of Supervisors
c/o Property Management Division
9517 Innovation Drive
Manassas, VA 20109

1.11 **Complex:** That complex (of which the Building is a part) known as NextGen Corporate Center and located on approximately 4 acres of land at 9400 Innovation Drive, Manassas, VA

ARTICLE II

Premises

2.1 Tenant leases the Premises from Landlord upon the terms stated herein. Tenant will have the non-exclusive right to use the common and public areas of and the surface parking spaces appurtenant to the Building.

ARTICLE III

Term

3.1 The Lease Term shall commence on the Lease Commencement Date specified in Section 3.2. If the Lease Commencement Date is not the first day of a month, then the Lease Term shall be the period set forth in Section 1.3 plus the partial month in which the Lease Commencement Date occurs. The Lease Term shall also include any renewal or extension of the term of this Lease.

3.2 The Lease Commencement Date shall be the earlier of the date (a) the work and materials to be provided pursuant to Exhibit B are substantially completed, or (b) Tenant commences beneficial use of the Premises. Tenant shall be deemed to have commenced beneficial use of the Premises when Tenant begins to move furniture, furnishings, inventory, equipment or trade fixtures into the Premises. Promptly after the Lease Commencement Date is ascertained, Landlord and Tenant shall execute a certificate (in the form of Exhibit C) confirming the Lease Commencement Date.

3.3 It is presently anticipated that the Premises will be delivered to Tenant on or about the Anticipated Occupancy Date. If Landlord does not deliver possession of the Premises by such date, then Landlord shall not have any liability whatsoever and this Lease shall not be rendered voidable, on account thereof. Notwithstanding anything herein to the contrary, if Landlord is unable to deliver possession of the Premises within Ninety (90) days of the Anticipated Occupancy Date, Tenant shall have the right, but not the obligation, to terminate the Lease by delivery of written notice to Landlord, which termination shall be effective as of the date of such delivery.

3.4 Lease Year shall mean a period of twelve (12) consecutive months commencing on the Lease Commencement Date and each successive twelve (12) month period thereafter; provided, however, that if the Lease Commencement Date is not the first day of a month, then the second Lease Year shall commence on the first day of the month in which the first anniversary of the Lease Commencement Date occurs.

3.5 Termination Right. The continuation of this Lease each year is conditioned upon the Board of County Supervisors of Prince William County (the “**Board**”) appropriating sufficient funds in subsequent years for the purpose of making rental payments as herein provided. In the event of the Board’s failure to make any such appropriation, this Lease shall terminate ninety (90) days after receipt of written notice (the “**Termination Notice**”) by Tenant to Landlord (the “**Termination Date**”) accompanied by the Termination Fee (as defined below), which Termination Fee shall be payable in certified funds only and as Additional Rent, and Tenant shall be liable for all Rent and other charges due through the Termination Date. The effect of termination of this Lease hereunder will be to discharge both Landlord and Tenant from future performance of this Lease, but not from their rights and obligations arising out of the period of Tenant’s use or occupancy of the Premises prior to the Termination Date. The Termination Notice shall not be effective without concurrent payment of the unamortized amount of Landlord’s documented transaction costs, including, without limitation, leasing commissions, the cost of Landlord’s Work paid by Landlord in connection with this Lease, such amortization to be determined on a straight-line basis over the Term of the Lease (collectively, the “**Termination Fee**”).

ARTICLE IV

Base Rent

4.1 Tenant shall pay the Base Rent in equal monthly installments in advance on the first day of each month during a Lease Year. On the first day of the second and each subsequent Lease Year, the Base Rent in effect shall be increased by the product of (a) the Base Rent Annual Escalation Percentage, multiplied by (b) the Base Rent in effect. Concurrently with Tenant's execution of this Lease, Tenant shall pay an amount equal to one (1) monthly installment of the Base Rent payable during the first Lease Year, which amount shall be credited toward the monthly installment of the Base Rent payable for the first full calendar month of the Lease Term. If the Lease Commencement Date is not the first day of a month, then the Base Rent from the Lease Commencement Date until the first day of the following month shall be prorated on a per diem basis at the rate of one-thirtieth (1/30th) of the monthly installment of the Base Rent payable during the first Lease Year, and Tenant shall pay such prorated installment on the Lease Commencement Date.

4.2 All sums payable by Tenant shall be paid to Landlord in legal tender of the United States, at the address to which notices to Landlord are to be given or to such other party or such other address as Landlord may designate in writing. Landlord's acceptance of rent after it shall have become due and payable shall not excuse a delay upon subsequent occasions or constitute a waiver of rights.

ARTICLE V

Increases in Real Estate Taxes and Operating Costs

5.1 Tenant shall pay Tenant's proportionate share of the amount by which Operating Charges (as defined in Section 5.2) during each calendar year falling entirely or partly within the

Lease Term exceed a base amount (the "Operating Charges Base Amount") equal to the Operating Charges actually incurred during the Operating Charges Base Year (as defined in Section 1.7 above). For purposes of this Section, Tenant's proportionate share shall be that percentage which is equal to a fraction, the numerator of which is the number of square feet of rentable area in the Premises, and the denominator of which is the number of square feet of rentable area in the Building excluding the number of square feet of rentable area of basement storage space.

5.2 Operating Charges shall mean the following expenses incurred by Landlord in the ownership and operation of the Building: (a) electricity, water, sewer and other utility charges; (b) insurance premiums; (c) management fees; (d) costs of service and maintenance contracts; (e) maintenance and repair expenses which are deducted by Landlord in computing its federal income tax liability; (f) depreciation for capital expenditures made by Landlord to reduce operating expenses if Landlord reasonably estimates that the annual reduction in operating expenses shall exceed such depreciation; (g) Real Estate Taxes (as defined in Section 5.3); (h) charges for janitorial services; (i) assessments imposed by any association now or hereafter established to maintain common areas and facilities of the Complex, (j) any business, professional and occupational license tax payable by Landlord with respect to the Building; (k) reasonable reserves for replacements, repairs and contingencies ; (l) Building engineer salary and employment expenses; and (m) any other expense reasonably incurred by Landlord in maintaining, repairing or operating the Building. Operating Charges shall not include: (1) principal or interest payments on any mortgage, deed of trust or ground lease; (2) leasing commissions and any other costs associated with leasing space in the Building; (3) depreciation of the Building or other improvements except as specified above; (4) the costs of special services or utilities separately charged to particular tenants of the Building; (5) expenses for painting, redecorating, space planning, construction or other work which Landlord performs for any tenant premises of the Building; (6) escrow fees, brokerage fees or commissions, loan fees, points, title charges or other payments on or arising with regarding to loans to Landlord or indebtedness secured by the Building, or any costs connected with refinancing of such loans; (7) advertising and marketing costs, tenant concessions and any other costs associated with the leasing or sale of the Building, Land or any portion thereof; (8) Landlord's income taxes; (9) Landlord's costs of any service sold to any tenant or occupant of the Building for which Landlord is entitled to be reimbursed as an additional charge or rental over and above the base rent and escalations payable under the lease or occupancy agreement with that tenant or other occupant (including, without limitation, after-hours HVAC costs or over-standard electrical consumption costs incurred by other tenant or occupants); (10) the initial cost of construction of the Building; (11) salaries or other compensation of any personnel whose salaries are covered by a management fee (except that the Building Engineer salary shall be an Operating Expense and shall not be covered by the management fee); (12) expenses for repairs or replacements to the extent such expenses are covered by and reimbursed to Landlord by virtue of warranties from contractors or suppliers; (13) any amounts paid to any person, firm or corporation related or otherwise affiliated with Landlord or any general partner, officer or director of Landlord or any of its general partners, to the extent same exceeds arms-length competitive prices paid in the Washington, DC

metropolitan area for the services or goods provided; (14) costs relating to maintaining Landlord's existence, either as a corporation, partnership, or other entity, such as trustee's fees, annual fees, partnership organization or administration expenses, deed recordation expenses, legal and accounting fees (other than with respect to Building operations); (15) costs incurred due to Landlord's violation of any terms and conditions of this Lease or any other lease relating to the Building; (16) overhead profit increments paid to Landlord's subsidiaries or affiliates for management or other services on or to the Building or for supplies or other materials to the extent that the cost of the services, supplies, or materials materially exceeds the cost that would have been paid had the services, supplies or materials been provided by unaffiliated parties on a competitive basis; (17) rental and other expenses incurred in leasing air conditioning systems, elevators, or other equipment ordinarily considered to be of a capital nature (excepting equipment used in providing janitorial services, when such equipment is not affixed to the Building); (18) the cost of any item of service or repair to the extent covered by any warranty, guaranty or insurance policy maintained or held by Landlord; (19) any Operating Charges which are payable by any tenant directly to the provider of the service or for which Landlord is entitled to be reimbursed directly by a tenant, or by insurance proceeds; and (20) legal or accounting fees, costs and disbursements for negotiating leases or enforcing the lease obligations of other tenants in the Building.

All Operating Charges shall be "net" only and shall be reduced by the amount of any insurance or other reimbursement, recoupment, payment, discount or allowance received by Landlord.

5.3 Real Estate Taxes shall mean (a) all real estate taxes, including general and special assessments, if any, which are imposed upon Landlord or assessed against the Building and/or the land upon which the Building is located (the "Land"), and (b) any other present or future taxes or governmental charges that are imposed upon Landlord or assessed against the Building or the Land which are in the nature of or in substitution for real estate taxes, including any tax levied on or measured by the rents payable by tenants of the Building.

5.4 If the average occupancy rate for the Building during any calendar year including the Operating Charges Base Year is less than ninety-five percent (95%), or if any tenant is separately paying for the electricity or janitorial services furnished to its premises, then Operating Charges for such calendar year shall be deemed to include all additional expenses, as reasonably estimated by Landlord, which would have been incurred during such calendar year if such average occupancy rate had been ninety-five percent (95%) and if Landlord paid for electricity and janitorial services furnished to such premises. For example, if the average occupancy rate for the Building during a calendar year is eighty percent (80%), and if the janitorial contractor charges are \$1.00 per square foot of occupied rentable area per year, and if the Building contains one hundred thousand (100,000) square feet of rentable area, then it would be reasonable for Landlord to estimate that if the Building had been ninety-five percent (95%) occupied during such year, then janitorial charges for such year would have been ninety-five thousand dollars (\$95,000.00).

5.5 At the beginning of the Lease Term and at the beginning of each calendar year thereafter, Landlord may submit a statement setting forth the amount by which Operating Charges that Landlord reasonably expects to be incurred during each calendar year exceed the Operating Charges Base Amount and Tenant's proportionate share of such excess. Tenant shall pay to Landlord on the first day of each month after receipt of such statement, until Tenant's receipt of any succeeding statement, an amount equal to one-twelfth (1/12) of such share.

5.6 Within approximately one hundred twenty (120) days after the end of each calendar year, Landlord shall submit a statement showing (a) Tenant's proportionate share of the amount by which Operating Charges incurred during the preceding calendar year exceeded the Operating Charges Base Amount, and (b) the aggregate amount of Tenant's estimated payments during such year. If such statement indicates that the aggregate amount of such estimated payments exceeds Tenant's actual liability, then Tenant shall deduct the net overpayment from its next estimated payment(s) pursuant to this Article. If such statement indicates that Tenant's actual liability exceeds the aggregate amount of such estimated payments, then Tenant shall pay the amount of such excess. If Tenant does not notify Landlord in writing of any objection to such statement within thirty (30) days after receipt, then Tenant shall be deemed to have waived such objection.

5.7 If the Lease Term commences or expires on a day other than the first day or the last day of a calendar year, respectively, then Tenant's liability for Operating Charges incurred during such year shall be proportionately reduced.

ARTICLE VI

Use of Premises

6.1 Tenant shall use the Premises solely for general office purposes and for no other use or purpose. Tenant shall not use the Premises for any unlawful purpose or in any manner that in Landlord's opinion will constitute waste, nuisance or unreasonable annoyance to Landlord or any tenant of the Building. Tenant shall comply with all present and future laws, ordinances, regulations and orders concerning the use, occupancy and condition of the Premises and all machinery, equipment and furnishings therein. If any such law, ordinance, regulation or order requires an occupancy or use permit for the Premises, then Tenant shall obtain and keep current such permit at Tenant's expense and promptly deliver a copy thereof to Landlord. Use of the Premises is subject to all covenants, conditions and restrictions of record.

6.2 Tenant shall pay before delinquency any business, rent or other tax or fee that is now or hereafter assessed or imposed upon Tenant's use or occupancy of the Premises, the conduct of Tenant's business in the Premises or Tenant's equipment, fixtures, furnishings, inventory or personal property. If any such tax or fee is enacted or altered so that such tax or fee is imposed upon Landlord or so that Landlord is responsible for collection or payment thereof, then Tenant shall pay the amount of such tax or fee.

6.3 Tenant shall not generate, use, store or dispose of any Hazardous Materials in or

about the Building. Hazardous Materials shall mean (a) "hazardous wastes," as defined by the Resource Conservation and Recovery Act of 1976, as amended from time to time, (b) "hazardous substances," as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, (c) "toxic substances," as defined by the Toxic Substances Control Act, as amended from time to time, (d) "hazardous materials," as defined by the Hazardous Materials Transportation Act, as amended from time to time, (e) oil or other petroleum products, and (f) any substance whose presence could be detrimental to the Building or hazardous to health or the environment. Notwithstanding the foregoing, Tenant may store in manufacturer provided containers for use in the Premises office supplies customarily found in general offices in such quantities suitable for Tenant's consumption.

ARTICLE VII

Assignment and Subletting

7.1 Tenant shall not assign this Lease or any of Tenant's rights or obligations hereunder, or sublet or permit anyone to occupy the Premises or any part thereof, without Landlord's prior written consent, which consent will not be unreasonably withheld or delayed. No assignment or transfer of this Lease may be affected by operation of law or otherwise without Landlord's prior written consent. Any assignment, subletting or occupancy, Landlord's consent thereto or Landlord's collection or acceptance of rent from any assignee, subtenant or occupant shall not be construed as a waiver or release of Tenant from liability hereunder. Any assignment, subletting or occupancy, Landlord's consent thereto or Landlord's collection or acceptance of rent from any assignee, subtenant or occupant shall not be construed as relieving Tenant or any assignee, subtenant or occupant from the obligation of obtaining Landlord's prior written consent to any subsequent assignment, subletting or occupancy. Tenant assigns to Landlord any sum due from any assignee, subtenant or occupant of Tenant as security for Tenant's performance of its obligations pursuant to this Lease. Tenant authorizes each such assignee, subtenant or occupant to pay such sum directly to Landlord if such assignee, subtenant or occupant receives written notice from Landlord specifying that such rent shall be paid directly to Landlord. Landlord's collection of such rent shall not be construed as an acceptance of such assignee, subtenant or occupant as tenant. All restrictions and obligations imposed pursuant to this Lease on Tenant shall be deemed to extend to any subtenant, assignee or occupant of Tenant, and Tenant shall cause such persons to comply with all such restrictions and obligations. Tenant shall not mortgage this Lease without Landlord's written consent, which consent may be granted or withheld in Landlord's sole and absolute discretion.

7.2 If Tenant wants to assign, sublet or otherwise transfer all or part of the Premises or this Lease, then Tenant shall give Landlord written notice ("Tenant's Request Notice") of the identity of the proposed assignee or subtenant and its business, all terms of the proposed assignment or subletting, and the commencement date of the proposed assignment or subletting (the "Proposed Sublease Commencement Date") and the area proposed to be assigned or sublet (the "Proposed Sublet Space"). Tenant shall also transmit therewith the most recent financial statement or other evidence of financial responsibility of such assignee or subtenant and a certification executed by Tenant and such proposed assignee or subtenant stating whether any

premium or other consideration is being paid for the proposed assignment or sublease.

7.3 If any sublease, assignment or other transfer (whether by operation of law or otherwise) provides that subtenant, assignee or other transferee is to pay any amount in excess of the rent and other charges due under this Lease, then, whether such excess be in the form of any increased rental, lump sum payment, payment for the sale or lease of fixtures or other leasehold improvements or any other form (and if the applicable space does not constitute the entire Premises, the existence of such excess shall be determined on a prorata basis), Tenant shall pay to Landlord 50% of any such excess (after Tenant has recovered all of Tenant's reasonable costs in facilitating such sublease) upon such terms as shall be specified by Landlord and in no event later than ten (10) days after Tenant's receipt thereof. Landlord shall have the right to inspect Tenant's books and records relating to any sublease, assignment or other transfer. Any sublease, assignment or other transfer shall be effected on forms supplied or approved by Landlord.

ARTICLE VIII

Maintenance and Repairs

8.1 Tenant shall keep and maintain the Premises and all fixtures and equipment located therein in clean, safe and sanitary condition, shall take good care thereof and make all repairs thereto, shall suffer no waste or injury thereto, and at the expiration or earlier termination of the Lease Term, shall surrender the Premises in the same order and condition in which they were on the Lease Commencement Date, ordinary wear and tear and unavoidable damage by the elements excepted. Except as otherwise provided in Article XVII or as covered by Landlord's insurance, all injury, breakage and damage to the Premises and to any other part of the Building or the Land caused by any act or omission of any invitee, agent, employee, subtenant, assignee, contractor, client, family member, licensee, customer or guest of Tenant (collectively "Invitees") or Tenant, shall be repaired by and at Tenant's expense, except that Landlord shall have the right at Landlord's option to make any such repair and to charge Tenant for all costs and expenses incurred in connection therewith. Landlord shall provide and install replacement tubes for building standard fluorescent light fixtures (subject to reimbursement pursuant to Article V); all other bulbs and tubes for the Premises shall be provided and installed at Tenant's expense.

ARTICLE IX

Alterations

9.1 The original improvement of the Premises shall be accomplished by Landlord in accordance with Exhibit B. Landlord is under no obligation to make any alterations, additions, improvements or other changes (collectively "Alterations") in or to the Premises except as set forth in Exhibit B or otherwise expressly provided in this Lease.

9.2 Tenant shall not make or permit anyone to make any Alteration in or to the Premises or the Building without Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole and absolute discretion with respect to structural Alterations and non-structural Alterations which are visible from the exterior of the Premises, and which consent

shall not be unreasonably withheld with respect to all other non-structural Alterations. Structural Alterations shall be deemed to include without limitation any Alteration that will or is likely to necessitate any changes, replacements or additions to the electrical, mechanical, plumbing, heating, ventilating or air conditioning systems of the Premises or the Building. Any Alteration made by Tenant shall be made: (a) in a good, workmanlike, first-class and prompt manner; (b) using new materials only; (c) by a contractor and in accordance with plans and specifications approved in writing by Landlord; (d) in accordance with legal requirements and requirements of any insurance company insuring the Building; (e) after obtaining any required consent of the holder of any Mortgage (as defined in Section 21.1); and (f) after obtaining a workmen's compensation insurance policy approved in writing by Landlord. If any lien (or a petition to establish a lien) is filed in connection with any Alteration, then such lien (or petition) shall be discharged by Tenant at Tenant's expense within thirty (30) days thereafter by the payment thereof or filing of a bond acceptable to Landlord. Landlord's consent to the making of an Alteration shall not be deemed to constitute Landlord's consent to subject its interest in the Premises or the Building to liens which may be filed in connection therewith.

9.3 If any Alteration is made without Landlord's prior written consent, then Landlord shall have the right at Tenant's expense to remove and correct such Alteration and restore the Premises and the Building to their condition immediately prior thereto or to require Tenant to do the same. All Alterations to the Premises or the Building made by either party shall immediately become Landlord's property and shall remain upon and be surrendered with the Premises at the expiration or earlier termination of the Lease Term; provided, however, that if Tenant is not in default under this Lease, then Tenant shall have the right to remove, prior to the expiration or earlier termination of the Lease Term, all movable furniture, furnishings and equipment installed in the Premises solely at Tenant's expense, and except that Tenant shall be required to remove all Alterations to the Premises or the Building which Landlord designates in writing for removal. Movable furniture, furnishings and equipment shall be deemed to exclude any item which would normally be removed from the Premises with the assistance of any tool or machinery other than a dolly. Landlord shall have the right to repair at Tenant's expense all damage to the Premises or the Building caused by such removal or to require Tenant to do the same. If any such furniture, furnishing or equipment is not removed by Tenant prior to the expiration or earlier termination of the Lease Term, then the same shall become Landlord's property and shall be surrendered with the Premises as a part thereof; provided, however, that Landlord shall have the right to remove from the Premises at Tenant's expense such furniture, furnishing or equipment and any Alteration which Landlord designates in writing for removal.

ARTICLE X

Signs

10.1 Tenant will have the right to use its standard graphics at the entrance to its space, be provided space on the building directory, and be given signage rights on the exterior of the building in a mutually agreed upon location.

ARTICLE XI Security Deposit

SECTION INTENTIONALL DELETED

ARTICLE XII Holding Over

12.1 Tenant acknowledges that it is extremely important that Landlord have substantial advance notice of the date on which Tenant will vacate the Premises, because Landlord will (a) require an extensive period to locate a replacement tenant, and (b) plan its entire leasing and renovation program for the Building in reliance on its lease expiration dates. Tenant also acknowledges that if Tenant fails to surrender the Premises at the expiration or earlier termination of the Lease Term, then it will be conclusively presumed that the value to Tenant of remaining in possession, and the loss that will be suffered by Landlord as a result thereof, far exceed the Base Rent and additional rent that would have been payable had the Lease Term continued during such holdover period. Therefore, if Tenant does not immediately surrender the Premises upon the expiration or earlier termination of the Lease Term, then the rent shall be increased greater of (1) fair market rent for the premises, or (2) 150% of the Base Rent that would have been payable pursuant to the provisions of this Lease if the Lease Term had continued during such holdover period. Such rent shall be computed on a monthly basis and shall be payable on the first day of such holdover period and the first day of each calendar month thereafter during such holdover period until the Premises have been vacated. Landlord's acceptance of such rent shall not in any manner adversely affect Landlord's other rights and remedies, including Landlord's right to evict Tenant and to recover damages.

ARTICLE XIII Insurance

13.1 Landlord shall maintain throughout the Lease Term fire and extended coverage insurance on the Building in an amount at least equal to ninety-five percent (95%) of the replacement cost thereof. Landlord shall also maintain through the Lease Term broad form comprehensive general liability insurance (written on an occurrence basis and including an endorsement for personal injury) in an amount of not less than two million dollars (\$2,000,000) combined single limit per occurrence. All such insurance shall contain an endorsement that such insurance shall remain in full force and effect. Tenant shall not conduct any activity or place any item in or about the Building which may increase the rate of any insurance on the Building. If any increase in the rate of such insurance is due to any such activity or item, then (whether or not Landlord has consented to such activity or item) Tenant shall pay the amount of such increase. The statement of any insurance company or insurance rating organization (or other organization exercising similar functions in connection with the prevention of fires or the correction of hazardous conditions) that such an increase is due to any such activity or item shall be conclusive evidence thereof.

13.2 Tenant shall maintain throughout the Lease Term with a company licensed to do business in the jurisdiction in which the Building is located, (a) broad form comprehensive general liability insurance (written on an occurrence basis and including an endorsement for personal injury), and (b) all-risk property insurance for Tenant's property. Such liability insurance shall be in minimum amounts typically carried by prudent tenants engaged in similar operations, but in no event shall be in an amount less than two million dollars (\$2,000,000) combined single limit per occurrence. Such property insurance shall be in an amount not less than that required to replace all Alterations and all other contents of the Premises. All such insurance shall name Landlord and the holder of any Mortgage as additional named insureds, contain an endorsement that such insurance shall remain in full force and effect and contain an endorsement prohibiting cancellation, failure to renew, reduction in amount of insurance or change of coverage (1) as to the interests of Landlord or the holder of any Mortgage by reason of any act or omission of Tenant, and (2) without the insurer's giving Landlord thirty (30) days' prior written notice of such action. Landlord reserves the right from time to time to require Tenant to obtain higher minimum amounts of insurance. Tenant shall deliver a certificate of such insurance and receipts evidencing payment of the premium for such insurance (and, upon request, copies of all required insurance policies, including endorsements and declarations) to Landlord on or before the Lease Commencement Date and at least annually thereafter.

13.3 Nothing in this Article XIII shall prohibit Tenant from satisfying the insurance requirements contained herein through its blanket insurance policy.

Self-Insurance. Any provision of this Lease to the contrary notwithstanding, Tenant may self-insure and be directly responsible for the costs and expenses otherwise covered by the insurance required to be maintained by Tenant under this Lease provided however, that Landlord and others mentioned in Section 902 shall be named as an additional insured thereunder or loss payee, as applicable. During any period of self-insurance, for all purposes of this Lease, Tenant shall be deemed to be maintaining the insurance required of Tenant hereunder.

ARTICLE XIV

Services and Utilities

14.1 Landlord will furnish to the Premises air-conditioning and heating during the seasons they are required in Landlord's reasonable judgment. Landlord will provide: janitorial service on Monday through Friday only (excluding legal public holidays celebrated by the federal government); electricity; water; elevator service; and exterior window-cleaning service. The normal hours of operation of the Building will be 8:00 a.m. to 6:00 p.m. on Monday through Friday (except such holidays) and 8:00 a.m. to 12:00 p.m. on Saturday (except such holidays) and such other hours, if any, as Landlord determines. If Tenant requires air-conditioning or heat beyond the normal hours of operation, then Landlord will furnish the same, provided Tenant gives Landlord sufficient advance notice of such requirement. Tenant shall pay Landlord Seventy-Five Dollars (\$75.00) per hour for each hour of usage of the core units only, Thirty-Five Dollars (\$35.00) for each hour of usage of the perimeter units only, and one hundred and ten dollars (\$110.00) for each hour of usage of the core and perimeter units together. Except as

otherwise specified herein, Landlord shall not be required to furnish services and utilities during hours other than the normal hours of operation of the Building. Tenant shall have access to the Premises twenty-four (24) hours a day every day of the Term. After hours access to the Building will be controlled by means of an electronic passcard system.

14.2 Landlord may install checkmeters to electrical circuits to verify that Tenant's electricity consumption is not excessive. If such checkmeters indicate that such consumption is excessive, then Landlord may install at Tenant's expense submeters to ascertain Tenant's actual electricity consumption, and thereafter Tenant shall pay for such consumption at the then-current price per kilowatt hour charged Landlord by the utility.

ARTICLE XV

Liability of Landlord

15.1 Landlord, its employees and agents shall not be liable to Tenant, any Invitee or any other person or entity for any damage (including indirect and consequential damage), injury, loss or claim (including claims for the interruption of or loss to business) based on or arising out of any cause whatsoever (except as otherwise provided in this Section), including without limitation the following: repair to any portion of the Premises or the Building; interruption in the use of the Premises or any equipment therein; any accident or damage resulting from any use or operation (by Landlord, Tenant or any other person or entity) of elevators or heating, cooling, electrical, sewerage or plumbing equipment or apparatus; termination of this Lease by reason of damage to the Premises or the Building; fire, robbery, theft, vandalism, mysterious disappearance or any other casualty; actions of any other tenant of the Building or of any other person or entity; failure or inability to furnish any service specified in this Lease; and leakage in any part of the Premises or the Building from water, rain, ice or snow that may leak into, or flow from, any part of the Premises or the Building, or from drains, pipes or plumbing fixtures in the Premises or the Building. If any condition exists which may be the basis of a claim of constructive eviction, then Tenant shall give Landlord written notice thereof and a reasonable opportunity to correct such condition, and in the interim Tenant shall not claim that it has been constructively evicted or is entitled to a rent abatement. Any property placed by Tenant or Invitees in or about the Premises or the Building shall be at the sole risk of Tenant, and Landlord shall not in any manner be responsible therefor. If any employee of Landlord receives any package or article delivered for Tenant, then such employee shall be acting as Tenant's agent for such purpose and not as Landlord's agent. For the purposes of this Article, the term "Building" shall be deemed to include the Land. Notwithstanding the foregoing provisions of this Section, Landlord shall not be released from liability to Tenant for any physical injury to any natural person caused by Landlord's gross negligence or willful misconduct to the extent such injury is not covered by insurance (a) carried by Tenant or such person, or (b) required by this Lease to be carried by Tenant.

15.2 NA.

15.3 If any landlord hereunder transfers the Building or such landlord's interest therein,

then such landlord shall not be liable for any obligation or liability based on or arising out of any event or condition occurring after such transfer. Within five (5) days after request, Tenant shall attorn to such transferee and execute, acknowledge and deliver any document submitted to Tenant confirming such attornment.

15.4 Tenant shall not have the right to offset or deduct the amount allegedly owed to Tenant pursuant to any claim against Landlord from any rent or other sum payable to Landlord. Tenant's sole remedy for recovering upon such claim shall be to institute an independent action against Landlord.

15.5 If Tenant or any Invitee is awarded a money judgment against Landlord, then recourse for satisfaction of such judgment shall be limited to execution against Landlord's estate and interest in the Building. No other asset of Landlord shall be available to satisfy or subject to such judgment.

ARTICLE XVI

Rules

16.1 Tenant and Invitees shall observe the rules specified in Exhibit D. Tenant and Invitees shall also observe any other rule that Landlord may promulgate for the operation or maintenance of the Building, provided that notice thereof is given and such rule is not inconsistent with the provisions of this Lease. Landlord shall have no duty to enforce such rules or any provision of any other lease against any other tenant.

ARTICLE XVII

Damage or Destruction

17.1 If the Premises or the Building are totally or partially damaged or destroyed thereby rendering the Premises totally or partially inaccessible or unusable, then Landlord shall diligently repair and restore the Premises and the Building to substantially the same condition they were in prior to such damage or destruction; provided, however, that if in Landlord's judgment such repair and restoration cannot be completed within ninety (90) days after occurrence of such damage or destruction (taking into account the time needed for effecting a satisfactory settlement with any insurance company involved, removal of debris, preparation of plans and issuance of all required governmental permits), Landlord or Tenant shall have the right, at its sole option, to terminate this Lease as of the sixtieth (60th) day after such damage or destruction by giving written notice of termination within forty-five (45) days after the occurrence of such damage or destruction. If the Lease is terminated pursuant to this Article, then rent shall be apportioned (based on the portion of the Premises which is usable after such damage or destruction) and paid to the date of termination. If this Lease is not terminated as a result of such damage or destruction, then until such repair and restoration of the Premises are substantially complete, Tenant shall be required to pay the Base Rent and additional rent only for the portion of the Premises that is usable while such repair and restoration are being made. If this Lease is not terminated as a result of such damage or destruction, then Landlord shall bear the expenses of such repair and restoration of the Premises and the Building; provided, however, that if such damage or destruction was caused by the act or omission of Tenant or any Invitee, then Tenant shall pay the amount by which such expenses exceed the insurance proceeds, if any, actually received by Landlord on account of such damage or destruction; and provided further, however, that Landlord shall not be required to repair or restore any Alteration previously made by Tenant or any of Tenant's trade fixtures, furnishings, equipment or personal property. Notwithstanding anything herein to the contrary, Landlord shall have the right to terminate this Lease if (a) the holder of any Mortgage fails or refuses to make such insurance proceeds available for such repair and restoration, (b) zoning or other applicable laws or regulations do not permit such repair and restoration, or (c) the damage to the Building exceeds twenty-five percent (25%) of the replacement value of the Building.

ARTICLE XVIII

Condemnation

18.1 If 25% or more of the Premises or occupancy thereof shall be taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose or sold under threat of such a taking or condemnation (collectively, "condemned"), then this Lease shall terminate on the date title vests in such authority and rent shall be apportioned as of such date. If less than 25% of the Premises or occupancy thereof is condemned, then this Lease shall continue in full force and effect as to the part of the Premises not condemned, except that as of the date title vests in such authority Tenant shall not be required to pay the Base Rent and additional rent with respect to the part of the Premises condemned. Notwithstanding anything herein to the contrary, if twenty-five percent (25%) or more of the Land or the Building is condemned, then Landlord or Tenant shall have the right to terminate this Lease as of the date title vests in such authority.

18.2 All awards, damages and other compensation paid by such authority on account of such condemnation shall belong to Landlord, and Tenant assigns to Landlord all rights to such awards, damages and compensation. Tenant shall not make any claim against Landlord or the authority for any portion of such award, damages or compensation attributable to damage to the Premises, value of the unexpired portion of the Lease Term, loss of profits or goodwill, leasehold improvements or severance damages. Nothing contained herein, however, shall prevent Tenant from pursuing a separate claim against the authority for the value of furnishings and trade fixtures installed in the Premises at Tenant's expense and for relocation expenses, provided that such claim shall in no way diminish the award, damages or compensation payable to Landlord in connection with such condemnation.

ARTICLE XIX

Default

19.1 An Event of Default is: (a) Tenant's failure to make when due any payment of the Base Rent, additional rent or other sum, which failure continues for five (5) days after notice to tenant; (b) Tenant's failure to perform or observe any other covenant or condition, which failure continues for ten (10) days after notice to tenant; (c) Tenant's failure to occupy continuously the Premises; (d) an Event of Bankruptcy as specified in Article XX; or (e) Tenant's dissolution or liquidation.

19.2 If there shall be an Event of Default, including an Event of Default prior to the Lease Commencement Date, then the provisions of this Section shall apply. Landlord shall have the right, at its sole option, to terminate this Lease. In addition, with or without terminating this Lease, Landlord may re-enter, terminate Tenant's right of possession and take possession of the Premises. The provisions of this Article shall operate as a notice to quit, any other notice to quit or of Landlord's intention to re-enter the Premises being expressly waived. If necessary, Landlord may proceed to recover possession of the Premises under applicable laws, or by such other proceedings, including re-entry and possession, as may be applicable. If Landlord elects to terminate this Lease and/or elects to terminate Tenant's right of possession, then everything in this Lease to be done by Landlord shall cease, without prejudice, however, to Tenant's liability for all rent and other sums accrued through the later of termination or Landlord's recovery of possession. Landlord may relet the Premises or any part thereof, alone or together with other premises, for such term(s) (which may extend beyond the date on which the Lease Term would have expired but for Tenant's default) and on such terms and conditions (which may include concessions or free rent and alterations of the Premises) as Landlord, in its sole discretion, may determine, but Landlord shall not be liable for, nor shall Tenant's obligations be diminished by reason of, Landlord's failure to relet the Premises or collect any rent due upon such reletting. Whether or not this Lease is terminated, Tenant nevertheless shall remain liable for the Base Rent, additional rent or damages which may be due or sustained prior to such default, all costs, fees and expenses (including without limitation reasonable attorneys' fees, brokerage fees and expenses incurred in placing the Premises in first-class rentable condition) incurred by Landlord in pursuit of its remedies and in renting the Premises to others from time to time. Tenant shall

also be liable for additional damages in an amount equal to the Base Rent and additional rent which would have become due during the remainder of the Lease Term, less the amount of rental, if any, which Landlord receives during such period from others to whom the Premises may be rented (other than any additional rent payable as a result of any failure of such other person to perform any of its obligations), in which case such damages shall be computed and payable in monthly installments, in advance, on the first day of each calendar month following Tenant's default and continuing until the date on which the Lease Term would have expired but for Tenant's default; Separate suits may be brought to collect any such damages for any month(s), and such suits shall not in any manner prejudice Landlord's right to collect any such damages for any subsequent month(s), or Landlord may defer any such suit until after the expiration of the Lease Term, in which event such suit shall be deemed not to have accrued until the expiration of the Lease Term. Tenant waives any right of redemption, re-entry or restoration of the operation of this Lease under any present or future law, including any such right which Tenant would otherwise have if Tenant shall be dispossessed for any cause. Whether or not this Lease and/or Tenant's right of possession is terminated, Landlord shall have the right to terminate any renewal or expansion right contained in this Lease and to grant or withhold any consent or approval pursuant to this Lease in its sole and absolute discretion.

19.3 Landlord's rights and remedies set forth in this Lease are cumulative and in addition to Landlord's other rights and remedies at law or in equity, including those available as a result of any anticipatory breach of this Lease. Landlord's exercise of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy. Landlord's delay or failure to exercise or enforce any of Landlord's rights or remedies or Tenant's obligations shall not constitute a waiver of any such rights, remedies or obligations. Landlord shall not be deemed to have waived any default unless such waiver expressly is set forth in an instrument signed by Landlord. Any such waiver shall not be construed as a waiver of any covenant or condition except as to the specific circumstances described in such waiver. Neither Tenant's payment of an amount less than a sum due nor Tenant's endorsement or statement on any check or letter accompanying such payment shall be deemed an accord and satisfaction. Notwithstanding any request or designation by Tenant, Landlord may apply any payment received from Tenant to any payment then due. Landlord may accept the same without prejudice to Landlord's right to recover the balance of such sum or to pursue other remedies. Re-entry and acceptance of keys shall not be considered an acceptance of a surrender of this Lease.

19.4 If more than one natural person and/or entity shall constitute Tenant, then the liability of each such person or entity shall be joint and several. If Tenant is a general partnership or other entity the partners or members of which are subject to personal liability, then the liability of each such partner or member shall be joint and several.

19.5 If Tenant fails to make any payment due to any third party or to do any act herein required to be made or done by Tenant, then Landlord may, but shall not be required to, make such payment or do such act. Landlord's taking such action shall not be considered a cure of such failure by Tenant or prevent Landlord from pursuing any remedy it is otherwise entitled to in connection with such failure.

19.6 If Tenant fails to make any payment of the Base Rent, additional rent or any other sum payable to Landlord on or before the date such payment is due and payable (without regard to any grace period specified in Section 19.1), then Tenant shall pay a late charge of five percent (5%) of the amount of such payment.

ARTICLE XX

Bankruptcy

20.1 An Event of Bankruptcy is: (a) Tenant's, a Guarantor's or any general partner (a "General Partner") of Tenant's becoming insolvent, as that term is defined in Title 11 of the United States Code (the "Bankruptcy Code"), or under the insolvency laws of any state (the "Insolvency Laws"); (b) appointment of a receiver or custodian for any property of Tenant, a Guarantor or a General Partner, or the institution of a foreclosure or attachment action upon any property of Tenant, a Guarantor or a General Partner; (c) filing of a voluntary petition by Tenant, a Guarantor or a General Partner under the provisions of the Bankruptcy Code or Insolvency Laws; (d) filing of any involuntary petition against Tenant, a Guarantor or a General Partner as the subject debtor under the Bankruptcy Code or Insolvency Laws, which either (1) is not dismissed within thirty (30) days after filing, or (2) results in the issuance of an order for relief against the debtor; or (e) Tenant's, a Guarantor's or a General Partner's making or consenting to an assignment for the benefit of creditors or a composition of creditors.

20.2 Upon occurrence of an Event of Bankruptcy, Landlord shall have all rights and remedies available pursuant to Article XIX; provided, however, that while a case (the "Case") in which Tenant is the subject debtor under the Bankruptcy Code is pending, Landlord's right to terminate this Lease shall be subject, to the extent required by the Bankruptcy Code, to any rights of Tenant or its trustee in bankruptcy (collectively, "Trustee") to assume or assign this Lease pursuant to the Bankruptcy Code. Trustee shall not have the right to assume or assign this Lease unless Trustee promptly (a) cures all defaults under this Lease, (b) compensates Landlord for damages incurred as a result of such defaults, (c) provides adequate assurance of future performance on the part of Tenant as debtor in possession or Tenant's assignee, and (d) complies with all other requirement of the Bankruptcy Code. If Trustee fails to assume or assign this Lease in accordance with the requirements of the Bankruptcy Code within sixty (60) days after the initiation of the Case, then Trustee shall be deemed to have rejected this Lease. Adequate assurance of future performance shall require that the following minimum criteria be met: (1) Tenant's gross receipts in the ordinary course of business during the thirty (30) days preceding the Case must be greater than ten (10) times the next monthly installment of the Base Rent and additional rent; (2) Both the average and the median of Tenant's monthly gross receipts in the ordinary course of business during the seven (7) months preceding the Case must be greater than ten (10) times the next monthly installment of the Base Rent and additional rent; (3) Trustee must pay its estimated prorata share of the cost of all services performed or provided by Landlord (whether directly or through agents or contractors and whether or not previously included as part of the Base Rent) in advance of the performance or provision of such services;

(4) Trustee must agree that Tenant's business shall be conducted in a first-class manner, and that no liquidating sale, auction or other non-first-class business operation shall be conducted in the Premises; (5) Trustee must agree that the use of the Premises as stated in this Lease shall remain unchanged and that no prohibited use shall be permitted; (6) Trustee must agree that the assumption or assignment of this Lease shall not violate or affect the rights of other tenants in the Building and the Complex; (7) Trustee must pay at the time the next monthly installment of the Base Rent is due, in addition to such installment, an amount equal to the monthly installments of the Base Rent and additional rent due for the next six (6) months thereafter, such amount to be held as a security deposit; (8) Trustee must agree to pay, at any time Landlord draws on such security deposit, the amount necessary to restore such security deposit to its original amount; and (9) All assurances of future performance specified in the Bankruptcy Code must be provided.

ARTICLE XXI

Subordination

21.1 This Lease is subject and subordinate to the lien, provisions, operation and effect of all mortgages, deeds of trust, ground leases or other security instruments which may now or hereafter encumber the Building or the Land (collectively, "Mortgages"), to all funds and indebtedness intended to be secured thereby, and to all renewals, extensions, modifications, recastings or refinancings thereof. The holder of any Mortgage to which this Lease is subordinate shall have the right (subject to any required approval of the holders of any superior Mortgage) at any time to declare this Lease to be superior to the lien, provisions, operation and effect of such Mortgage and Tenant shall execute, acknowledge and deliver all confirming documents required by such holder.

21.2 In confirmation of the foregoing subordination, Tenant shall at Landlord's request promptly execute any requisite or appropriate document. Tenant waives the provisions of any statute or rule of law now or hereafter in effect which may give or purport to give Tenant any right to terminate or otherwise adversely affect this Lease or Tenant's obligations in the event any such foreclosure proceeding is prosecuted or completed or in the event the Land, the Building or Landlord's interest therein is sold at a foreclosure sale or by deed in lieu of foreclosure. If this Lease is not extinguished upon such sale or by the purchaser following such sale, then, at the request of such purchaser, Tenant shall attorn to such purchaser and shall recognize such purchaser as the landlord under this Lease. Upon such attornment such purchaser shall not be (a) bound by any payment of the Base Rent or additional rent more than one (1) month in advance, (b) bound by any amendment of this Lease made without the consent of the holder of each Mortgage existing as of the date of such amendment, (c) liable for damages for any breach, act or omission of any prior landlord, or (d) subject to any offsets or defenses which Tenant might have against any prior landlord. Within five (5) days after receipt, Tenant shall execute, acknowledge and deliver any requisite or appropriate document submitted to Tenant confirming such attornment.

21.3 If any lender providing financing secured by the Building requires as a condition of such financing that modifications to this Lease be obtained, and provided that such modifications

(a) are reasonable, (b) do not adversely affect in a material manner Tenant's use of the Premises as herein permitted, and (c) do not increase the rent and other sums to be paid by Tenant, then Landlord may submit to Tenant an amendment to this Lease incorporating such modifications. Tenant shall execute, acknowledge and deliver such amendment to Landlord within five (5) days after receipt.

21.4 Should Landlord obtain financing secured by the Building after the Lease commencement Date, then Tenant's subordination of this Lease shall be conditioned upon receiving a commercially reasonable Non-Disturbance Agreement from such lender.

ARTICLE XXII

Covenants of Landlord

22.1 Landlord covenants that it has the right to enter into this Lease and that if Tenant shall perform timely all of its obligations, then, subject to the provisions of this Lease, Tenant shall during the Lease Term peaceably and quietly occupy and enjoy possession of the Premises without hindrance by Landlord or anyone claiming through Landlord.

22.2 Landlord reserves the right to: (a) change the street address and name of the Building or Complex, provided, however, that if such change is not required by law then landlord shall promptly reimburse Tenant for all reasonable expenses incurred in changing its business cards and stationary to reflect such a change; (b) change the arrangement and location of entrances, passageways, doors, doorways, corridors, elevators, stairs, toilets or other public parts of the Building; (c) erect, use and maintain pipes and conduits in and through the Premises; (d) grant to anyone the exclusive right to conduct any particular business in the Building or the Complex not inconsistent with the permitted use of the Premises; (e) use or lease exclusively the roof areas, the sidewalks and other exterior areas; (f) resubdivide the Land or to combine the Land with other lands; (g) construct improvements (including kiosks) on the Land and in the public and common areas of the Building; (h) relocate any parking area designated for Tenant's use; and (i) install and display signs, advertisements and notices on any part of the exterior or interior of the Building. Exercise of any such right shall not be considered a constructive eviction or a disturbance of Tenant's business or occupancy.

ARTICLE XXIII

General Provisions

23.1 Tenant acknowledges that neither Landlord nor any broker, agent or employee of Landlord has made any representation or promise with respect to the Premises or the Building except as expressly set forth herein, and no right is being acquired by Tenant except as expressly set forth herein. This Lease contains the entire agreement of the parties and supersedes all prior agreements, negotiations, letters of intent, proposals, representations, warranties and discussions between the parties. This Lease may be changed in any manner only by an instrument signed by both parties.

23.2 Nothing contained in this Lease shall be construed as creating any relationship between Landlord and Tenant other than that of landlord and tenant.

23.3 Landlord and Tenant each warrants that in connection with this Lease it has not employed or dealt with any broker, agent or finder other than the Broker(s).

23.4 From time to time upon five (5) days prior written notice, Tenant and each subtenant, assignee or occupant of Tenant shall execute, acknowledge and deliver to Landlord and any designee of Landlord a written statement certifying: (a) that this Lease is in unmodified and in full force and effect (or that this Lease is in full force and effect as modified and stating the modifications); (b) the dates to which rent and any other charges have been paid; (c) that Landlord is not in default in the performance of any obligation (or specifying the nature of any default); (d) the address to which notices are to be sent; (e) that this lease is subject and subordinate to all Mortgages; (f) that Tenant has accepted the Premises and all work thereto has been completed (or specifying the incomplete work); and (g) such other matters as Landlord may request. Any such statement may be relied upon by any owner of the Building or the Land, and any prospective purchaser of the Building or the Land, any holder or prospective holder of a Mortgage or any other person or entity. Tenant acknowledges that time is of the essence to the delivery of such statements and Tenant's failure to deliver timely such statements may cause substantial damages resulting from, for example, delays in obtaining financing secured by the Building.

23.5 Landlord, Tenant, Guarantors and General Partners waive trial by jury in any action, claim or counterclaim brought in connection with any matter arising out of or in any way connected with this Lease, the landlord-tenant relationship, Tenant's use or occupancy of the Premises or any claim of injury or damage. Landlord, Tenant, all Guarantors and all General Partners waive any objection to the venue of any action filed in any court situated in the jurisdiction in which the Building is located and waive any right under the doctrine of forum non conveniens or otherwise to transfer any such action filed in any such court to any other court.

23.6 All notices or other required communications shall be in writing and shall be deemed duly given when delivered in person (with receipt therefor), or when sent by certified or registered mail, return receipt requested, postage prepaid, to the following addresses: (a) if to Landlord, at NextGen Holdings LLC., 1140 Steeplechase Street, Morgantown, WV 26508 with a copy to McNeer, Highland, McMunn and Varner, L.C., Attention: Cecil J. Jarvis, Esquire; or (b) if to Tenant, at the Tenant Address for Notices. Either party may change its address for the giving of notices given in accordance with this Section. If Landlord or the holder of any Mortgage notifies Tenant that a copy of each notice to Landlord shall be sent to such holder at a specified address, then Tenant shall send (in the manner specified in this Section and at the same time such notice is sent to Landlord) a copy of each such notice to such holder, and no such notice shall be considered duly sent unless such copy is so sent to such holder. If Tenant claims that Landlord has breached any obligation, then Tenant shall send such holder notice specifying the breach and permit such holder a reasonable opportunity to cure the breach.

23.7 Each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law. If any provision or its application to any person or circumstance shall to any extent be invalid or unenforceable, then such provision shall be deemed to be replaced by the valid and enforceable provision most substantively similar thereto, and the remainder of this Lease and the application of such provision to other persons or circumstances shall not be affected.

23.8 Feminine, masculine or neuter pronouns shall be substituted for those of another form, and the plural or singular shall be substituted for the other number, in any place in which the context may require.

23.9 The provisions of this Lease shall be binding upon and inure to the benefit of the parties and their respective representatives, successors and assigns, subject to the provisions herein restricting assignment or subletting.

23.10 Upon at least twenty-four (24) hours notice (except in the case of emergency) Tenant shall permit Landlord and its designees to enter the Premises, without charge therefor and without diminution of the rent payable by Tenant, to inspect and exhibit the Premises and make such alterations and repairs as Landlord may deem necessary.

23.11 This Lease shall be governed by the laws of the jurisdiction in which the Building is located.

23.12 Headings are used for convenience and shall not be considered when construing this Lease.

23.13 The submission of an unsigned copy of this document to Tenant shall not constitute an offer or option to lease. This Lease shall become effective and binding only upon execution and delivery by both Landlord and Tenant.

23.14 Time is of the essence with respect to each obligation of Tenant and Landlord.

23.15 This Lease may be executed in multiple counterparts, each of which is deemed an original and all of which constitute one and the same document.

23.16 N/A

23.17 Landlord reserves the right to make reasonable changes to the plans and specifications for the Building without Tenant's consent, provided such changes do not alter the character of the Building as a first-class office building.

23.18 The rentable area of the Building and the Premises shall be determined by Landlord's architect in accordance with a modified version of the Building Owners and Managers Association International's Standard Method for Measuring Floor Area in Office

Buildings dated July 31, 1980.

23.19 Except as otherwise provided in this Lease, any additional rent or other sum owed by Tenant to Landlord, and any cost, expense, damage or liability incurred by Landlord for which Tenant is liable, shall be considered additional rent payable pursuant to this Lease and paid by Tenant no later than ten (10) days after the date Landlord notifies Tenant of the amount thereof.

23.20 Tenant's liabilities existing as of the expiration or earlier termination of the Lease Term shall survive such expiration or earlier termination.

23.21 If Landlord is in any way delayed or prevented from performing any obligation due to fire, act of God, governmental act or failure to act, labor dispute, inability to procure materials or any cause beyond Landlord's reasonable control (whether similar or dissimilar to the foregoing events), then the time for performance of such obligation shall be excused for the period of such delay or prevention and extended for a period equal to the period of such delay or prevention.

23.22 The deletion of any printed, typed or other portion of this Lease shall not evidence an intention to contradict such deleted portion. Such deleted portion shall be deemed not to have been inserted in this Lease.

23.23 The person executing this Lease on Tenant's behalf warrants that such person is duly authorized to so act.

23.24 At Landlord's request from time to time (but in no event more than once per any 12 month period), Tenant shall submit annual financial statements and such additional information regarding Tenant's financial condition as Landlord may request. Tenant warrants that all such statements and information heretofore or hereafter submitted to Landlord are and shall be correct and complete.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease under seal as of the date first above written.

WITNESS/ATTEST:

LANDLORD:

NextGen Holdings, LLC

_____(SEAL) By:_____

Title:_____

WITNESS/ATTEST:

TENANT:

Board of County Supervisors of Prince William
County Virginia

_____(SEAL) By:_____

Title:_____

EXHIBIT A
FLOOR PLAN

EXHIBIT B

WORK AGREEMENT

THIS EXHIBIT B is attached to an made a part of a certain Lease Agreement dated as of the September 8, 2020, by and between NextGen Holdings, LLC. ("Landlord") and the Board of County Supervisors of Prince William County Virginia ("Tenant"). The terms used in this exhibit that are defined in the Lease shall have the same meaning as provided in the Lease.

1. Improvement Allowance:

(a) The improvement of the Premises pursuant to this Lease shall be accomplished by the Landlord in accordance with the plans authorized by Tenant and approved by Landlord (the "Plans") – Exhibit E.

2. Changes. Tenant shall be responsible for the costs and expenses for any changes in the Plans requested by Tenant. Such changes in the Plans shall require consent of Landlord in its reasonable discretion.

3. Substantial Completion.

(a) Except as provided in Paragraph 3(b) hereof, the Premises shall be deemed to be substantially complete when the improvements to be installed by Landlord pursuant to this Exhibit have been completed, as certified by Landlord's architect or asset manager, except for items of work and adjustment of equipment and fixtures that can be completed after the Premises are occupied without causing substantial interference with Tenant's use of the Premises (i.e., the "punch list" items).

(b) If Landlord shall be delayed in completing the Premises as a result of (1) Tenant's failure to comply with any conditions specified in this Exhibit, (2) Tenant's request for

modifications to plans or working drawings subsequent to the date such plans or working drawings are approved by Landlord, (3) Tenant's failure to pay when due any amount required pursuant to this Exhibit, (4) Tenant's request for materials, finishes or installations which are long lead items, or (5) the performance of or failure to timely perform any work by any person or firm employed or retained by Tenant which interferes with the substantial completion of Landlord's construction, then the Premises shall be deemed to have been substantially complete on the date that Landlord's architect or asset manager determines, in its reasonable judgment, that the improvements to be installed by Landlord pursuant to this Exhibit would have been substantially complete if such delay or delays had not occurred.

(c) Landlord shall have access to the Premises for improvement of the Premises at all times subsequent to execution of this Lease until completion of punch list items.

Landlord:_____
(initial)

Tenant:_____
(initial)

EXHIBIT C

FORM OF CERTIFICATE AFFIRMING THE LEASE COMMENCEMENT DATE

This Exhibit is attached to and made a part of that certain Lease Agreement dated as of September 8, 2020 (the "Lease"), by and between NextGen Holdings, LLC. ("Landlord") and the Board of County Supervisors of Prince William County, Virginia. ("Tenant"). The Certificate to be executed by Landlord and Tenant pursuant to Section 3.2 of the Lease shall provide as follows:

"This Certificate is being provided pursuant to the terms and provisions of that certain Lease Agreement dated as of (the "Lease"), by and between the undersigned. The parties confirm the following:

1. The Lease Commencement Date is _____.

2. The initial Term of the lease shall expire on

_____.

Attached to this Certificate are certificates and evidence of payment of premiums for all insurance required pursuant to Section 13.2 of the Lease."

EXHIBIT D

RULES

This Exhibit is attached to and made a part of that certain Lease Agreement dated as of September 8, 2020 (the "Lease"), by and between NextGen Holdings, LLC. ("Landlord") and the Board of County Supervisors of Prince William County Virginia ("Tenant").

1. Tenant shall not obstruct or encumber or use for any purpose other than ingress and egress to and from the Premises any sidewalk, entrance, passage, court, elevator, vestibule, stairway, corridor, hall or other part of the Building not exclusively occupied by Tenant. Landlord shall have the right to control and operate the public portions of the Building and the facilities furnished for common use of the tenants, in such manner as Landlord deems best for the benefit of the tenants generally. Tenant shall not permit the visit to the Premises of persons in such numbers or under such conditions as to interfere with the use and enjoyment of the entrances, corridors, elevators and other public portions or facilities of the Building by other tenants. Tenant shall coordinate in advance with Landlord's property management department all deliveries to the Building so that arrangements can be made to minimize such interference. Tenant and its employees shall not use any of the parking spaces designated for use by visitors only or the roof of the Building.

2. Tenant shall not place any showcase, mat or other article in any common or public area of the Building.

3. Tenant shall not use the water and wash closets and other plumbing fixtures for any purpose other than those for which they were constructed, and Tenant shall not place any debris, rubbish, rag or other substance therein.

4. Tenant shall not construct, maintain, use or operate within their respective premises any electrical device, wiring or apparatus in connection with a loudspeaker system or other sound system without Landlord's prior written consent. Tenant shall not construct, maintain, use or operate any such loudspeaker or sound system available outside of the Premises.

5. Tenant shall not bring any bicycle, vehicle, animal, bird or pet of any kind into the Building. Tenant shall not do or permit any cooking on the Premises, except for microwave cooking and use of coffee machines by Tenant's employees for their own consumption. Tenant shall not install any microwave oven or coffee machine in the Premises without Landlord's prior written approval of such equipment and its location within the Premises. Tenant shall not cause or permit any unusual or objectionable odor to be produced upon or permeate from the Premises.

6. Tenant shall not use any space in the Building for the sale of goods to the public at large or for the sale at auction of goods or property of any kind.

7. Tenant shall not place on any floor a load exceeding the floor load per square foot

which such floor was designed to carry. Landlord shall have the right to prescribe the weight, position and manner of installation of safes and other heavy items. Landlord shall have the right to repair at Tenant's expense any damage caused by Tenant's moving property into or out of the Premises or due to the same being in or upon the Premises or to require Tenant to do the same. Tenant shall not receive into the Building or carry in the elevators any furniture, equipment or bulky item except as approved by Landlord, and any such furniture, equipment and bulky item shall be delivered only through the designated delivery entrance of the Building and the designated freight elevator. Tenant shall remove promptly from sidewalks adjacent to the Building items delivered for Tenant.

8. Tenant shall not place additional locks or bolts of any kind on any door or window or make any change in any lock or locking mechanism without Landlord's prior written approval. Tenant shall keep doors leading to a corridor or main hall closed during business hours except as such doors may be used for ingress or egress. Upon the termination of its tenancy, Tenant shall deliver to Landlord all keys furnished to or procured by Tenant, and if any key so furnished is not delivered, then Tenant shall pay the replacement cost thereof. Tenant's key system shall be separate from that for the rest of the Building.

9. Tenant shall not install or operate in the Premises any equipment that operates on greater than 110 volt power without obtaining Landlord's prior written consent. Landlord may condition such consent upon Tenant's payment of additional rent in compensation for the excess consumption of electricity or other utilities and for the cost of any additional wiring or apparatus that may be occasioned by the operation of such equipment. Tenant shall not install any equipment of any type or nature that will or may necessitate any changes, replacements or additions to, or changes in the use of, the water system, heating system, plumbing system, air-conditioning system or electrical system of the Premises or the Building, without obtaining Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole and absolute discretion. If any equipment of Tenant causes noise or vibration that may be transmitted to such a degree as to be objectionable to Landlord or any tenant in the Building, then Landlord shall have the right to install at Tenant's expense vibration eliminators or other devices sufficient to reduce such noise and vibration to a level satisfactory to Landlord or to require Tenant to do the same.

10. Landlord may exclude from the Building any person who does not properly identify himself to the Building management or guard on duty. Landlord may require any person admitted to or leaving the Building to register.

11. Tenant shall not use the Premises for lodging.

12. Before closing and leaving the Premises, Tenant shall turn off all lights.

13. Tenant shall not request Landlord's employees to do anything outside of such employees' regular duties without Landlord's prior written consent. Tenant's special requirements will be attended to only upon application to Landlord, and any such special

requirements shall be billed to Tenant in accordance with the schedule of charges maintained by Landlord from time to time or as is agreed upon in writing in advance by Landlord and Tenant. Tenant shall not employ any employee of Landlord for any purpose whatsoever without Landlord's prior written consent.

14. Canvassing, soliciting and peddling in the Building are prohibited. Tenant shall cooperate to prevent the same.

15. Only hand trucks equipped with rubber tires and side guards may be used in the Building. Tenant shall be responsible for loss or damage resulting from any delivery made by or for Tenant.

16. Tenant shall comply with standards prescribed by Landlord for curtains, drapes, blinds, shades, screens, lights and ceilings, including standards designed to give the Building a uniform, attractive appearance should Tenant request to change Landlord supplied blinds.

17. Landlord may, upon request of Tenant, waive Tenant's compliance with any of the rules, provided that no waiver (a) shall be effective unless signed by Landlord, (b) shall relieve Tenant from the obligation to comply with such rule in the future unless otherwise agreed in writing by Landlord, (c) granted to any tenant shall relieve any other tenant from the obligation of complying with these rules and regulations, and (d) shall relieve Tenant from any liability for any loss or damage resulting from Tenant's failure to comply with any rule.

18. Tenant shall prohibit its employees and invitees from carrying either into the Building or upon the grounds upon which the Building is located any pistol, rifle, shotgun, revolver or other weapon designed or intended to propel a missile of any kind. The prohibition shall not apply to any police officer, sheriff, deputy sheriff or game warden appointed pursuant to the laws of the Commonwealth of Virginia.

19. Tenant shall comply with all present and future laws, orders, and regulations of all state, federal, municipal, and local governments, departments, commissions, and boards regarding the collection, sorting, separation, and recycling of waste products, garbage, refuse, and trash. Tenant shall sort and separate such waste products, garbage, refuse, and trash into such categories as provided by law. Each separately sorted category of waste products, garbage, refuse, and trash shall be placed in separate receptacles reasonably approved by Landlord. Such separate receptacles may, at Landlord's option, be removed from the demised premises in accordance with a collection schedule prescribed by law. Tenant shall not generate hazardous trash or medical waste at the Premises.

MOTION: BAILEY

September 22, 2020

SECOND: ANGRY

Regular Meeting

Res. No. 20-656

RE: PROCLAIM – OCTOBER 4 – 10, 2020, FIRE PREVENTION WEEK IN PRINCE WILLIAM COUNTY

ACTION: APPROVED

WHEREAS, the Prince William Board of County Supervisors recognizes the value of fire prevention education to the citizens of Prince William County and participates in fire prevention week annually; and

WHEREAS, the 2020 Fire Prevention theme is “Serve Up Fire Safety in the Kitchen!” to remind us to stay alert and use caution when cooking to reduce the risk of kitchen fires; and

WHEREAS, nearly half of all home fires involving cooking equipment, is unattended cooking, the leading cause of these fires; and

WHEREAS, staying in the kitchen when frying, grilling, boiling or broiling food, keep a three-foot kid-free zone around cooking areas and keep anything that can burn away from the cooking area; and

WHEREAS, smoke alarms should be properly installed on every level of the home, inside and outside sleeping areas, for working smoke alarms doubles your chance of surviving a home fire; and

WHEREAS, residents who create, plan, and practice a home fire escape plan are more prepared and more likely to survive a fire; and

WHEREAS, educating the public about potential cooking hazards and how basic yet critical ways can prevent these types of fires;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby proclaims October 4 – 10, 2020, as Fire Prevention Week in Prince William County.

September 22, 2020

Regular Meeting

Res. No.20-656

Page Two

Votes:

Ayes: Angry, Bailey, Boddye, Franklin, Lawson, Wheeler

Nays: Vega

Absent from Vote: None

Absent from Meeting: None

Abstain from Vote: Candland

For Information:

Fire and Rescue System Chief

ATTEST: _____

Andrea P. Madden

Clerk to the Board

MOTION: BODDYE

September 22, 2020

SECOND: BAILEY

Regular Meeting

Res. No. 20-657

RE: ENTER INTERGOVERNMENTAL COLLABORATION AGREEMENT FOR THE 2021-2025 METROPOLITAN WASHINGTON REGIONAL ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING

ACTION: APPROVED

WHEREAS, The Fair Housing Act, passed on April 11, 1968, in the wake of the assassination of Reverend Dr. Martin Luther King, Jr., prohibits discrimination concerning the sale, rental, and financing of housing based on race, color, religion, national origin, sex, (and as amended) disability, and family status. The Fair Housing Act is designed not only to prevent discrimination, but also to reverse patterns of residential segregation; and

WHEREAS, Since 1994, cities, counties, and states that receive federal funds through the United States Department of Housing and Urban Development (HUD) have complied with the Fair Housing Act through the "Analysis of Impediments to Fair Housing Choice." In 2000, the United States Government Accountability Office reported that "HUD needs to enhance its requirements and oversight of jurisdictions fair housing plans." The result was a revised federal rule making process, completed in 2015, called the Affirmatively Furthering Fair Housing (AFFH) rule.; and

WHEREAS, In 2017, local governments in metropolitan Washington, with their Public Housing Authority (PHA) partners, came together with the Council of Government (COG) to collaborate on a new, rigorous approach to furthering fair housing and to address the aims of the 1968 Fair Housing Act to end discrimination and racial segregation in our communities; and

WHEREAS, In 2018, HUD suspended the 2015 AFFH rule. At that time, COG member governments, which receive entitlement funding from HUD and their Public Housing Authority partners, affirmed their prior decision in 2017 to collaborate to complete a fair housing plan that addresses both local and regional challenges and goals to further fair housing. HUD has encouraged this collaborative approach, providing technical assistance from Enterprise Community Partners beginning in 2019 to support the effort; and

WHEREAS, On July 23, 2020, HUD rescinded the 2015 rule and replaced it with the "Preserving Neighborhood and Community Choice" rule. The now-rescinded rule requires local jurisdictions to evaluate their data within a larger geographical context, demonstrating that housing markets and jurisdictional borders do not always neatly correspond; and

WHEREAS, COG remains committed to gathering and examining data for patterns of racial bias and segregation, engaging communities and those impacted by fair housing choice, creating a plan for concrete actions at the local level, and undoing past patterns of residential segregation regionwide; and

September 22, 2020
Regular Meeting
Res. No. 20-657
Page Two

WHEREAS, The District of Columbia will serve as the lead entity of the collaboration and will be responsible for submitting the Regional Analysis of Impediments (AI) on behalf of all the collaborating participating jurisdictions and Public Housing Authorities; and

WHEREAS, COG will procure a consultant that will facilitate the creation of the Regional Analysis of Impediments (AI). COG will be responsible for paying the consultant with the pass-through funds it receives from the participating jurisdictions. The amounts charged to each participating jurisdiction is based upon a percentage of the federal Community Planning and Development (CDBG) administrative funds each jurisdiction receives from the Department of Housing and Urban Development (HUD);

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby enters into the Intergovernmental Collaboration Agreement for the 2021-2025 Metropolitan Washington Regional Analysis of Impediments, to Fair Housing with the payment from the County's federal Community Development Block Grant administrative funds;

BE IT FUTHER RESOLVED that the Prince William Board of County Supervisors hereby authorizes the County Executive, or his designee, to sign all related documents.

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

For Information:

Director Office of Housing and Community Development

ATTEST:



Clerk to the Board

MOTION: CANDLAND

September 22, 2020

SECOND: BODDYE

Regular Meeting

Res. No. 20-658

**RE: TRANSFER, BUDGET, AND APPROPRIATE \$186,000 FROM CONTINGENCY TO
CREATE DIGITAL GOVERNANCE UPGRADE CAPITAL IMPROVEMENT PROJECT
TO IMPROVE ACCESSIBILITY AND BROADEN PUBLIC PARTICIPATION
OPPORTUNITIES**

ACTION: APPROVED

WHEREAS, the Board of County Supervisors has greatly expanded access, participation, and transparency in the public meeting process in 2020; and

WHEREAS, electronic public participation and translation services have become routine elements in each Board meeting subsequent to the advent of the COVID-19 pandemic, and a reliable source of funding needs to be identified to continue providing these improved services; and

WHEREAS, on January 7, 2020, the Board of County Supervisors (BOCS) also issued Directive Number 20-01, to provide a public vote tracking system searchable by topic and/or Supervisor's name; and

WHEREAS, the County's internal auditors recommended an online portal be created for Boards, Committees, and Commissions, which would enhance transparency and allow County residents to submit resumes for open positions online; and

WHEREAS, the Board also directed staff to review policies, procedures, and practices using an equity lens; and

WHEREAS, several initiatives are needed to improve public accessibility and transparency including, but not limited to, adding closed captioning services for the cable television broadcast, providing translation services for County residents to participate in Board meetings, digital conversion of older County records, developing an online portal for Boards, Committees, and Commissions; and automating the Board agenda production and distribution process; and

WHEREAS, County staff has developed a capital improvement project plan to upgrade the digital governance capability of the County to improve accessibility to public processes and records and broaden public participation opportunities;

September 22, 2020

Regular Meeting

Res. No. 20-658

Page Two

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby transfers, budgets, and appropriates \$186,000 from Contingency to create a digital governance upgrade capital improvement project to improve accessibility and broaden public participation opportunities;

BE IT FURTHER RESOLVED that the Prince William Board of County Supervisors hereby directs the County Executive to include the ongoing digital governance costs in the proposed Fiscal Year 2022 Budget.

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

For Information:

County Attorney

County Executive

Clerk to the Board of County Supervisors

Communications Director

ATTEST:



Clerk to the Board

MOTION: BAILEY

September 22, 2020

SECOND: BODDYE

Regular Meeting

Res. No. 20-659

RE: TRANSFER, BUDGET, AND APPROPRIATE \$25,000,000 TO THE SCHOOL BOARD OPERATING FUND

ACTION: APPROVED

WHEREAS, on July 21, 2020, the Prince William Board of County Supervisors (Board) transferred \$5,000,000 of the Coronavirus Relief Funds (first allocation) to the Prince William County School Division for the acquisition of computer devices to support distance learning; and

WHEREAS, on September 8, 2020, the Board approved the transfer of \$20,000,000 of the CFR funds (second allocation) to the Prince William County School Division to support the opening School facilities initiatives during this pandemic; and

WHEREAS, the Prince William County School Board has approved a resolution requesting the Prince William Board of County Supervisors to approve the increase of budget and appropriation of the School Board Operating Fund in the total amount of \$25,000,000; and

WHEREAS, this increase requires appropriation by the Board of County Supervisors;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby transfers, budgets, and appropriates \$25,000,000 to the School Board Operating Fund.

Votes:

Ayes: Angry Bailey, Boddye, Candland, Franklin, Lawson Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

For Information:

Prince William County Schools, Associate Superintendent for Finance and Risk Management
Prince William County Finance Director

ATTEST:



Clerk to the Board

MOTION: ANGRY
SECOND: BODDYE
RE: AUTHORIZE CLOSED MEETING
ACTION: APPROVED

September 22, 2020
Regular Meeting
Res. No. 20-660

WHEREAS, the Board of County Supervisors desires to consult with legal counsel and staff and discuss in Closed Meeting the following matters:

- Consultation with legal counsel and briefings by staff members regarding legal advice and personnel discussion regarding the following pending internal audits on: Area Agency on Aging: Senior Centers Program; and Fire and Rescue System Apparatus Maintenance Analysis, where discussion in an open meeting would adversely affect the litigating posture, bargaining position or negotiating strategy of the public body; (Section 2.2-3711(A) (1) and (8));
- Discussion of reports or plans related to the security of the McCoart governmental building complex and the safety of persons using such building complex, including briefings by staff members, legal counsel, and law-enforcement or emergency service officials concerning actions taken to respond to related threats to public safety ((Section 2.2-3711(A) (19));
- Two matters regarding the discussion of the award of a public contract for the County's state and federal lobbyist involving the expenditure of public funds and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body, along with the related personnel discussion related to the County's Legislative Director, (Section 2.2-3711(A) (1) and (29));
- Personnel discussion relating to the appointments for voting credentials for the 2020 Virginia Association of Counties Annual Business Meeting, (Section 2.2-3711(A) (1));
- Personnel discussion relating to the appointments of alternates to the Potomac and Rappahannock Transportation Commission, (Section 2.2-3711(A) (1)); and
- Consultation with legal counsel and briefings by staff members pertaining to actual or probable litigation, with the related legal advice, regarding public nuisance and possible legal claims in response to manufacture, marketing, sale and distribution of opioids where consultation, briefing, or discussion in an open meeting would adversely affect the bargaining position, litigating posture or negotiating strategy of the public body, (Section 2.2-3711(A) (7) and (8)); and

WHEREAS, pursuant to Section 2.2-3711(A) (1), (7), (8), (19) and (29), VA Code Ann., such discussions may occur in Closed Meeting;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby authorizes discussion of the aforestated matters in Closed Meeting.

September 22, 2020

Regular Meeting

Res. No. 20-660

Page Two

Votes:

Ayes: Angry, Bailey, Boddye, Franklin, Lawson, Vega, Wheeler

Nays: Candland

Absent from Vote: None

Absent from Meeting: None

For Information:

County Attorney

ATTEST:

A handwritten signature in blue ink, reading "Andrea P. Madden", is written over a horizontal line.

Clerk to the Board

MOTION: LAWSON

September 22, 2020

SECOND: CANDLAND

Regular Meeting

Res. No. 20-661

**RE: INITIATE COMPREHENSIVE PLAN AMENDMENT #CPA2020-00011, HUNTER
PROPERTY – BRENTSVILLE MAGISTERIAL DISTRICT**

ACTION: APPROVED

WHEREAS, under Section 15.2-2229 of the Virginia Code, the Prince William Board of County Supervisors may consider amendments to the Comprehensive Plan; and

WHEREAS, an application for an amendment to the Comprehensive Plan was received to change the Long Range Land Use designation for approximately ±44.04 acre (Property) from Suburban Residential Low (SRL) to Flexible Use Employment Center (FEC), for portions of three contiguous parcels along Linton Hall Road. The total site is approximately ±196.02 acres and identified as GPINs: 7496-43-8199, 7496-25-7319, and 7496-17-5917; and

WHEREAS, the existing Long-Range Land Use designations of SRL and FEC are not considered compatible, in the same parcel, in the Long Range Land Use Plan; and

WHEREAS, the initiation of a Comprehensive Plan amendment may provide opportunities to ensure extensive and extraordinary mitigation, between the SRL and FEC designations; and

WHEREAS, the initiation of a Comprehensive Plan amendment may provide opportunities to implement the general recommendations and goals of the Stone Haven Land Use Study, including, but not limited to, protecting the existing character of the Linton Hall Road corridor, and protecting existing residential communities; and

WHEREAS, the proposed amendment provides opportunities to further the objectives of the Comprehensive Plan, is compatible with the surrounding industrial development to the north, and may further the Comprehensive Plan goal to provide a pattern of land use Countywide that encourages fiscally sound development and achieves a high-quality living environment;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby initiates an amendment to the Comprehensive Plan of the Property described above from Suburban Residential Low (SRL) to Flexible Use Employment Center (FEC).

September 22, 2020

Regular Meeting

Res. No. 20-661

Page Two

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

ATTEST: _____

Andrea P. Madden

Clerk to the Board

MOTION: BAILEY

September 22, 2020

SECOND: CANDLAND

Regular Meeting

Res. No. 20-662

RE: APPOINT – SARAH MOSER – BOARD OF EQUALIZATION

ACTION: APPROVED

WHEREAS, a vacancy currently exists for the Regular At-Large Gainesville Magisterial District Representative to the Board of Equalization; and

WHEREAS, Supervisor Candland desires to appoint Sarah Moser as the Regular At-Large Gainesville Magisterial District Representative to the Board of Equalization; and

WHEREAS, a Notice of Intent to Appoint Sarah Moser as a Regular At-Large Gainesville Magisterial District Representative to the Board of Equalization was offered at the meeting of the Prince William Board of County Supervisors on September 8, 2020;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby appoints Sarah Moser as a Regular At-Large Gainesville Magisterial District Representative to the Board of Equalization;

BE IT FURTHER RESOLVED that the term of office expires on December 31, 2020, and the appointee shall serve at the pleasure of the Board.

<u>NAME</u>	<u>TYPE</u>	<u>REP</u>	<u>TERM</u>
Sarah Moser 15904 Silver Glen Way Haymarket, VA 20169	REG	ATL (GA)	12/31/2020

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

For Information:

Appointee

Board of Equalization Liaison

BCC Manual

ATTEST:



Clerk to the Board

MOTION: BAILEY

September 22, 2020

SECOND: CANDLAND

Regular Meeting

Res. No. 20-663

RE: NOMINATE – TRAVIS GOODMAN – BOARD OF ZONING APPEALS

ACTION: APPROVED

WHEREAS, due to the recent resignation of Jason Salce, a vacancy exists for a Regular At-Large Representative to the Board of Zoning Appeals; and

WHEREAS, the Board of County Supervisors desires to recommend to the Prince William County Circuit Court Judges that Travis Goodman be appointed as a Regular At-Large Representative to fulfill the unexpired term of Jason Salce, December 31, 2023, in view of his qualifications and willingness to serve; and

WHEREAS, a Notice of Intent to Nominate Travis Goodman as a Regular At-Large Representative to the Zoning Appeals Board was offered at the meeting of the Prince William Board of County Supervisors on September 8, 2020;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby authorizes the County Attorney to convey to the Honorable Judges of the Prince William County Circuit Court that it nominates Travis Goodman for appointment to the Prince William County Board of Zoning Appeals, to fulfill the unexpired term of Jason Salce, which expires on December 31, 2023.

NAME

Travis Goodman
13260 Sapphire Ridge Place
Bristow, VA 20136

TYPE

ATL

REP

REG

TERM

December 31, 2023

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

For Information:

County Attorney

ATTEST:



Clerk to the Board

MOTION: BAILEY

September 22, 2020

SECOND: CANDLAND

Regular Meeting

Res. No. 20-664

RE: APPOINT – WILLIAM J. SELFRIDGE – COMMISSION ON AGING

ACTION: APPROVED

WHEREAS, due to an expired term, a vacancy exists for the Regular At-Large Representative to the Commission on Aging; and

WHEREAS, Chair Wheeler desires to appoint William J. Selfridge as the Regular At-Large Representative to the Commission on Aging; and

WHEREAS, a Notice of Intent to Appoint William J. Selfridge as the Regular At-Large Representative to the Commission on Aging was offered at the meeting of the Prince William Board of County Supervisors on September 8, 2020;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby appoints William J. Selfridge as the Regular At-Large Representative to the Commission on Aging;

BE IT FURTHER RESOLVED that the term of office for this appointment is coterminous with that of the Board of County Supervisors which appointed him and he shall serve at the pleasure of the Board during that term.

<u>NAME</u>	<u>TYPE</u>	<u>REP</u>	<u>TERM</u>
William J. Selfridge 17315 Four Seasons Drive Dumfries, VA 22025	REG	ATL (CH)	12/31/2023

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

For Information:

Appointee

Commission on Aging Liaison

BCC Manual

ATTEST:



Clerk to the Board

MOTION: CANDLAND

September 22, 2020

SECOND: VEGA

Regular Meeting

Res. No. 20-665

RE: AMEND BOARD OF COUNTY SUPERVISORS' RULES OF PROCEDURE – SECTION C(4): QUORUM AND ACTIONS – PROCLAMATIONS AND COMMENDATIONS

ACTION: FAILED

WHEREAS, the Prince William Board of County Supervisors reviews its adopted Rules of Procedure periodically to determine the necessity to make amendment or modifications;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby amends its Rules of Procedure as follows:

SECTION C: QUORUM AND ACTIONS

... 4. *Proclamations and Commendations.*

(a) ~~The Board may issue proclamations on such issues and at such times as it shall deem appropriate. Proclamations shall only be issued upon Resolution of the Board adopted as other Resolutions are adopted. Such proclamations shall be signed by the Chair of the Board, and may be signed by all members of the Board.~~

_____ (b) ~~The Board shall have two forms of Commendation:~~

_____ (i) ~~*Board Commendations.* The Board itself may issue Commendations to any persons or groups for meritorious service to the community or other act meriting public notice, by Resolution adopted as other Resolutions are adopted. Such Commendations shall be signed by the Chair of the Board, and may be signed by all members of the Board.~~

_____ (ii) *Supervisors'/Chair's Proclamations and Commendations.* The Board hereby expressly authorizes any Supervisor or the Chair to prepare Proclamations on any issue, and Commendations for any persons or groups, which may be signed by that Supervisor or Chair on behalf of the Board, without the necessity of further formal Board actions or vote thereon. Such proclamations or commendations shall not be deemed to be actions by, or on behalf of, the Board. Presentations for such Proclamations and Commendations, desired by the respective Supervisor or Chair, during regular meetings shall be made during Supervisor's Time or during a time designated by the Chair. Presentations for such Proclamations and Commendations outside of the regular meetings of the Board may be done so at the respective Supervisors' or Chair's discretion.

Votes:

Ayes: Candland, Lawson, Vega

Nays: Angry, Bailey, Boddye, Franklin Wheeler

Absent from Vote: None

Absent from Meeting: None

ATTEST:



Clerk to the Board

MOTION: LAWSON

September 22, 2020

SECOND: CANDLAND

Regular Meeting

Res. No. 20-666

RE: MODIFY THE SCOPE OF WORK FOR THE COMPREHENSIVE PLAN UPDATE

ACTION: FAILED

WHEREAS, under Section (§) 15.2-2229 of the Virginia Code, the Board of County Supervisors may consider amendments to the Comprehensive Plan; and

WHEREAS, the proposed Small Area Plans were intended to, among other things, address the impacts of Virginia Code § 15.2-2303.4, which became effective July 1, 2016; and

WHEREAS, Virginia Code § 15.2-2303.4 was amended effective July 1, 2019, including allowing an applicant to submit any onsite or offsite proffer they deem reasonable and appropriate; and

WHEREAS, due to revisions to the Strategic Plan, policies adopted and amended by the Prince William Board of County Supervisors, changes in State law, completion of numerous public infrastructure projects, and expected changes in demographic projections as a result of the 2020 Census, there is a need to update the scope of work for the Comprehensive Plan update; and

WHEREAS, the COVID-19 pandemic has created economic uncertainty in Prince William County; and

WHEREAS, the proposed scope of work to update the Comprehensive Plan adopted by the Prince William Board of County Supervisors on August 3, 2016, included the re-planning of Route 29 and Independent Hill;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby (i) withdraws the Route 29 and Independent Hill small area plans from the approved scope of work, (ii) directs County staff to cease all work on such small area plans, (iii) and directs County staff to provide the Board with a status update on the Comprehensive Plan update, including identification of any priority geographical areas for special plan.

Votes:

Ayes: Candland, Lawson, Vega,

Nays: Angry, Bailey, Boddye, Franklin, Wheeler

Absent from Vote: None

Absent from Meeting: None

ATTEST:



Clerk to the Board

MOTION: BAILEY

SECOND: CANDLAND

RE: CERTIFY CLOSED MEETING

ACTION: APPROVED

**September 22, 2020
Regular Meeting
Res. No. 20-667**

WHEREAS, the Prince William Board of County Supervisors has this day adjourned into Closed Meeting in accordance with a formal vote of the Board, and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, the Freedom of Information Act requires certification that such Closed Meeting was conducted in conformity with the law;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby certifies that to the best of each member's knowledge, i) only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act were discussed in the Closed Meeting to which this certification applies, and ii) only such public business matters as were identified in the Motion by which the said Closed Meeting was convened were heard, discussed or considered by the Board. No member dissents from the aforesaid certification.

- Adjourned into Closed Meeting at
- Reported out from Closed Meeting at

5:58 P.M.
8:43 P.M.

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

ATTEST:



Clerk to the Board

MOTION: CANDLAND

September 22, 2020

SECOND: BAILEY

Regular Meeting

Res. No. 20-668

**RE: DESIGNATE VOTING DELEGATE AND ALTERNATE VOTING DELEGATE FOR
ANNUAL BUSINESS MEETING OF THE VIRGINIA ASSOCIATION OF COUNTIES**

ACTION: APPROVED

WHEREAS, the Virginia Association of Counties (VACo) will hold its annual business meeting on November 11, 2020, during the VACo 2020 Virtual Annual Conference; and

WHEREAS, the Prince William Board of County Supervisors is an active member of VACo; and

WHEREAS, the Prince William Board of County Supervisors desires to continue its participation in VACo and exercise its right to vote at the annual business meeting on November 11, 2020 on issues that promote the best interests of Prince William County;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby delegate its Virginia Association of Counties (VACo) membership voting rights at the 2020 Virtual Annual Conference to Supervisor Franklin as the Designated Voting Delegate and Supervisor Angry as the Alternate Voting Delegate.

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

ATTEST:



Clerk to the Board

MOTION: LAWSON

September 22, 2020

SECOND: BODDYE

Regular Meeting

Res. No. 20-669

**RE: ACCEPT INTERNAL AUDIT REPORTS ON AREA AGENCY ON AGING; SENIOR
CENTERS; AND FIRE AND RESCUE SYSTEM APPARATUS MAINTENANCE
ANALYSIS**

ACTION: APPROVED

WHEREAS, performance standard – 2440, Disseminating Results, of the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors (IIA) requires audit organizations to communicate the results of engagements to the appropriate parties, including those who can ensure that the results are given due consideration; and

WHEREAS, internal audit reports have been submitted to and reviewed by the Board Audit Committee of the Board of County Supervisors on: Area Agency on Aging: Senior Centers; and Fire and Rescue System Apparatus Maintenance Analysis; and

WHEREAS, the Board of County Supervisors has considered the reports and has determined that the work in these matters is complete, and the reports should be accepted;

NOW, THEREFORE, BE IT RESOLVED that the Board of County Supervisors does hereby accept as final the internal audit reports on Area Agency on Aging: Senior Centers and Fire and Rescue System Apparatus Maintenance Analysis, with the finalized, non-confidential reports to be made available to the public.

ATTACHMENTS: Internal Audit Report: Area Agency on Aging: Senior Centers Program
Internal Audit Report: Fire and Rescue System Apparatus Maintenance Analysis

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

For information

Audit Services

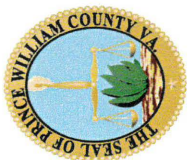
County Executive

County Attorney

ATTEST:



Clerk to the Board



PRINCE WILLIAM COUNTY

Prince William County, Virginia Internal Audit Report – Area Agency on Aging: Senior Centers Program

September 1, 2020



PRINCE WILLIAM COUNTY

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TRANSMITTAL LETTER

September 1, 2020

The Board Audit Committee of
Prince William County, Virginia
1 County Complex Court
Prince William, Virginia 22192

Pursuant to the internal audit plan for calendar year ending ("CY") 2020 for Prince William County, Virginia ("County" / "PWC"), approved by the Board of County Supervisors ("BOCS"), we hereby present the internal audit of the Area Agency on Aging: Senior Centers Program. We will be presenting this report to the Board Audit Committee of Prince William County at the next scheduled meeting on September 22, 2020.

Our report is organized into the following sections:

Executive Summary	This provides a high-level overview and summary of the observations noted in this internal audit, as well as the respective risk ratings.
Background	This provides an overview of the Senior Centers' internal control processes as well as relevant background information.
Objectives and Approach	The objectives of this internal audit are expanded upon in this section, as well as the various phases of our approach.
Observations Matrix	This section gives a description of the observations noted during this internal audit and recommended actions, as well as Management's response including the responsible party, and estimated a completion date.
Process Maps	This section illustrates proposed future state process maps.

We would like to thank the staff and all those involved in assisting our firm with this internal audit.

Respectfully Submitted,

RSM US LLP

Internal Auditors





EXECUTIVE SUMMARY

Background

The mission of Prince William County ("PWC") Area Agency on Aging is to empower independence and enhance the quality of life and enjoyment of aging by offering a supportive network for older persons and their family caregivers through advocacy, education, coordination, and implementation of programs and services in the tri-jurisdictional area. Area Agency on Aging provides five (5) programs to senior citizens, including the Senior Centers program.

The Senior Centers program operates the Manassas and Woodbridge senior centers, providing recreation, exercise, nutrition, health, and wellness programs for persons 55 and older. The programs serve to reduce isolation, promote health, and may prevent rapid decline from debilitating conditions. Meals are provided through the Agency's program, either as lunches at the facilities, or through Meals-on-Wheels. The meals are free to participants, however a donation of \$1.50 is encouraged. In a survey conducted for fiscal year ("FY") ended June 30, 2019, 100% of senior center and Meals-on-Wheels participants stated these services helped them stay in the community.

The FY 2021 adopted budget for the Senior Centers program is \$1.8M, which is a 27% increase from FY 2020. The Senior Centers program is expected to support 1,450 participants, and serve a 58,000 meals.

In response to the COVID-19 pandemic, the senior centers have been closed to the public. However, the Senior Centers program is still providing meals to individuals who sign up to participate.

Overall Summary / Highlights

The observations identified during our assessment are detailed within the pages that follow. We have assigned relative risk or value factors to each observation identified. Risk ratings are the evaluation of the severity of the concern and the potential impact on the operations of each item. There are many areas of risk to consider in determining the relative risk rating of an observation, including financial, operational, and/or compliance, as well as public perception or 'brand' risk.

Objectives and Scope

The primary objective of this internal audit was to conduct a review of the internal controls, policies, and procedures surrounding purchasing, inventory, disposal, and reporting of meal-related goods at the senior centers. This audit was performed as a result of a hotline report—related to purchasing and inventory—and subsequent controls implemented. Updated policies and procedures related to purchasing, inventory, disposal, and reporting of meal-related goods at the County's senior centers were implemented in January 2020. Due to the hotline report, the Woodbridge senior center was selected for detailed testing.

As part of our internal audit we performed the following:

- Obtained an understanding of the processes related to the purchasing, inventory, disposal, and reporting of meal-related goods, for the senior centers;
- Documented related process controls and identified weaknesses;
- Documented process flows related to the purchasing, inventory, disposal, and reporting of meal-related goods;
- Reviewed the applicable policies and procedures and identified gaps related to controls;
- Assessed adequacy of records and documentation and established an audit trail and that policies and procedures were appropriately followed;
- Performed testing on samples related to purchasing, inventory, disposal, and reporting of meal-related goods for the Woodbridge senior center;
- Performed testing to validate proper segregation of duties are in place; and
- Provided recommendations for process improvements.

In order to encapsulate the newly implemented procedures, the testing period for this audit was January 1, 2020 through March 31, 2020.

Fieldwork was performed May through June 2020.

Summary of Observation Ratings (See page 3 for risk rating definitions)

	High	Moderate	Low
Area Agency on Aging: Senior Centers Program	-	1	-

We would like to thank all County team members who assisted us throughout this audit.



EXECUTIVE SUMMARY – CONTINUED

Observations Summary

Following is a summary of the observations noted in the areas reviewed. The detailed observation is included in the observation matrix section of the report. Definitions of the rating scale are included below.

Summary of Observations	
Observation	Rating
1. Segregation of Duties	Moderate

Provided below is the observation risk rating definitions for the detailed observations.

Observation Risk Rating Definitions	
Rating	Explanation
Low	Observation presents a low risk (i.e., impact on financial statements, internal control environment, brand, or business operations) to the organization for the topic reviewed and/or is of low importance to business success/achievement of goals.
Moderate	Observation presents a moderate risk (i.e., impact on financial statements, internal control environment, brand, or business operations) to the organization for the topic reviewed and/or is of moderate importance to business success/achievement of goals. Action should be in the near term.
High	Observation presents a high risk (i.e., impact on financial statements, internal control environment, brand, or business operations) to the organization for the topic reviewed and/or is of high importance to business success/achievement of goals. Action should be taken immediately.



PRINCE WILLIAM COUNTY

BACKGROUND

Overview

The mission of Prince William County ("PWC") Area Agency on Aging is to empower independence and enhance the quality of life and enjoyment of aging by offering a supportive network for older persons and their family caregivers through advocacy, education, coordination, and implementation of programs and services in the tri-jurisdictional area. Area Agency on Aging provides five (5) programs to senior citizens, including the Senior Centers programs.

Area Agency on Aging Senior Centers program includes the Manassas and Woodbridge senior centers, which provide recreation, exercise, nutrition, health, and wellness programs for persons 55 and older. The programs serve to reduce isolation, promote health, and may prevent rapid decline from debilitating conditions. The senior centers include classes and activities, health and wellness counseling, and meals. The meals are provided either as lunches at the senior centers, or through Meals-on-Wheels. The meals are free to participants, however a donation of \$1.50 is encouraged. The FY 2021 adopted budget for the Senior Centers program is \$1.8M, which is a 27% increase from FY 2020. The Senior Centers program is expected to support 1,450 participants, and serve approximately 58,000 meals.

Prior to the COVID-19 pandemic, the Manassas and Woodbridge Senior Centers were open five (5) days a week, and were available to all Prince William County residents ages 55 and up, as well as their spouse, regardless of age. Residents who utilize the senior centers pay a \$25 annual fee, or can pay \$2 at the door, if not a member. Non-Prince William County residents can pay a \$35 annual fee, or \$5 at the door, if not a member.

Due to the COVID-19 pandemic, the Manassas and Woodbridge Senior Centers have been closed to the public. Area Agency on Aging has created a "virtual senior center" that gives immediate access to content created and curated for Senior Center participants by agency staff to help inform seniors on how to stay healthy. Additionally, all Senior Center participants of the congregate meal program (i.e. Meals-on-Wheels or lunch at the senior center) have the ability to sign up to receive meals distributed each week at the senior center for pick-up. Meals-on-Wheels will still deliver meals to seniors who are homebound.

Meal Programs

PWC Area Agency on Aging offers meals to Senior Center participants through two programs: 1) Meals-on-Wheels and 2) lunch at the Senior Centers. A monthly menu is put together by the Senior Center's Site Manager and a Nutritionist, along with input by the Virginia Department for Aging and Rehabilitative Services ("DARS"). All meals are prepared fresh each day by the resident chefs.

Meals-on-Wheels is a program that provides home-delivered meals for seniors who are homebound. The meals are prepared at the Senior Centers, and are delivered to participants by volunteers. Meals are delivered Monday through Friday, with emergency shelf stable meals provided in the event that hot meals cannot be delivered.

Lunch is provided at the Manassas and Woodbridge Senior Centers Monday through Friday of each week to all senior center participants. These meals are part of the federally-funded congregate meal program, which provides meals in group settings to people over the age of 60. Participants are able to bring spouses, or other family members, regardless of age, to partake in the lunch as well. As shown on the following page, Senior Center participation increased by ~9% from FY 2017 to FY 2019, which resulted in an ~15% increase in meals served. Expenditures increased notably from FY 2020 to FY 2021 (27%) primarily due to increases in salary and benefits which were the result of the County-wide class and compensation study and subsequent BOCS approved implementation.



BACKGROUND – CONTINUED

Purchasing, Inventory, Disposal, and Reporting of Meal-Related Goods

Figure 1: Senior Center Meal Programs

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Adopted
Expenditure	\$1,057,981	\$1,137,874	\$1,166,006	\$1,422,219	\$1,811,936
Senior Center Participants	1,290	1,225	1,411	1,300	1,450
Meals Served	49,774	57,949	57,526	58,000	58,000

On January 1, 2020, the Area Agency on Aging Director implemented new policies and procedures related to the purchasing, inventory, disposal, and reporting of meal-related goods. This was due to a hotline call claiming there was a breakdown in internal controls, allowing for segregation of duties issues to occur with the inventory of meal-related goods at the Woodbridge Senior Center. Through inspection of the newly implemented policies and procedures, as well as a detailed walkthrough with key personnel, we identified the following process for the purchasing, inventory, disposal, and reporting of meal-related goods at the senior centers. Every two (2) weeks, the Lead Cook performs an inventory count of all items on-hand. After the inventory count is performed, the Lead Cook uses the menu for the month to identify the food needed to prepare the order to purchase food for the next two weeks. Once the order is prepared, the Site Manager reviews the order against the budget and, if approved, submits the order to the vendor. Purchases are typically made on Tuesdays. Additionally, an inventory spot check is performed once a quarter by the Lead Cook to identify any items that have exceeded their expiration date or have been spoiled.

The vendor delivers the orders the next day, on Wednesday. The Lead Cook, or the Part-time Cook, receives the delivery from the vendor. When the delivery is received, the employee receiving the order performs a reconciliation between the items that were ordered and the items that were delivered, making notes for items not delivered, as well as notes for items that arrived damaged or spoiled. The County receives a credit for the items that are not delivered, or arrived damaged or spoiled. Once the reconciliation is performed, the receiver signs-off.

When the invoice is received, it is reconciled to the order and the receiving document, and signed by either the Lead Cook or the Part-time Cook. The signed invoice is then scanned into ASCEND, the County's financial management system, which automatically directs the invoice to the proper level of approval, based on dollar amount. All invoices over \$5,000 are reviewed and approved by the Director, while all invoices under \$5,000 are approved by the Assistant Director. Once the invoice is properly approved, ASCEND automatically routes the invoice to the Agency's Fiscal & Administrative Division for payment.

For a detailed process flow, refer to page 8.



OBJECTIVES AND APPROACH

Objectives

The primary objective of this internal audit was to conduct a review of the internal controls, policies, and procedures surrounding purchasing, inventory, disposal, and reporting of meal-related goods. This audit was performed as a result of a hotline report—related to purchasing and inventory—and subsequent controls implemented. Updated policies and procedures related to purchasing, inventory, disposal, and reporting of meal-related goods at the County's senior centers were implemented in January 2020.

Approach

Our audit approach was consistent with our internal audit methodology, which included the following phases:

Understanding and Documentation of the Process

During this phase of the audit, we conducted interviews with the appropriate representatives from Area Agency on Aging and discussed the scope and objectives of the audit work, obtained preliminary data, and established working arrangements. We obtained and reviewed 1) documented policies and procedures related to the area; and 2) other documents deemed necessary; and performed walkthroughs of the process(es) and key controls and gained an understanding of the function and assessed the design of the process/key controls, documented the process(es) via flowchart, and developed a risk-based work plan for the evaluation of the design and operating effectiveness of processes and controls, based on the information obtained through our review, inquiry and walk through procedures.

Evaluation of the Process and Controls Design and Testing of Operating Effectiveness

The purpose of this phase was to assess and review compliance and operating effectiveness of the Senior Centers processes and key controls related to the areas noted above. Our testing was conducted utilizing sampling and other auditing techniques to meet our audit objectives outlined above. Procedures included the following:

- Obtained an understanding of the processes related to the purchasing, inventory, disposal, and reporting of meal-related goods, for the senior centers;
- Documented related process controls and identified weaknesses;
- Documented process flows related to the purchasing, inventory, disposal, and reporting of meal-related goods;
- Reviewed the applicable policies and procedures and identified gaps related to controls;
- Assessed adequacy of records and documentation and established an audit trail and that policies and procedures were appropriately followed;
- Performed testing on samples related to purchasing, inventory, disposal, and reporting of meal-related goods for the Woodbridge Senior Center;
- Performed testing to validate proper segregation of duties are in place; and
- Provided recommendations for process improvements.

Reporting

At the conclusion of this audit, we summarized our findings into this report. We conducted an exit meeting with the appropriate Management personnel, and have incorporated Management's response into this report.



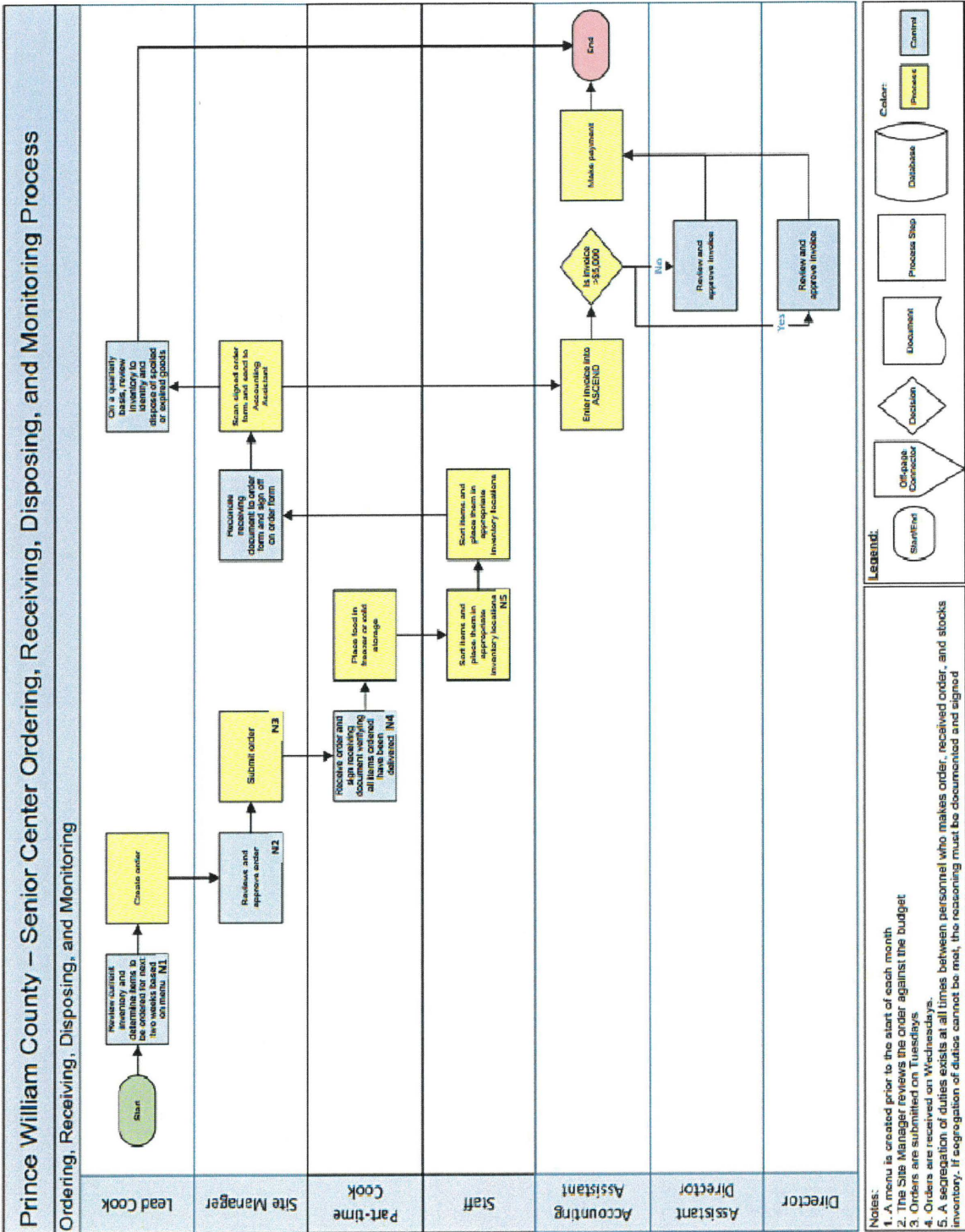
OBSERVATIONS MATRIX

Observation	1. Segregation of Duties
Moderate	<p>Area Agency on Aging implemented "Food Inventory Policy and Procedures" on January 1, 2020, which states that "Any orders completed by the Lead Cook for the week will have approval from the Site Manager."</p> <p>Currently, the Lead Cook performs an inventory to identify items needed for meals listed on the monthly menu, and then drafts an order using the vendor's online portal. The Site Manager reviews the drafted order, approves it, and submits it through the online portal. The Lead Cook—or sometimes the Part-time Cook—physically receives the orders from the vendor and reconciles the delivery to the submitted order. The individual receiving the items provides a signature on the receiving document as evidence of review.</p> <p>The audit trail in place is insufficient to validate the segregation of duties between the individual performing an inventory and the individual submitting an order. There is no evidence of [1] who prepares and [2] who reviews/submits each order. The Lead Cook and Site Manager share a username and password for the online portal. Therefore, although the current procedure includes Site Manager review and approval, it is possible that the Lead Cook could perform each step from inventory-to-receiving.</p> <p>It is common for small operations with limited employees to be unable to segregate duties. In these cases, it is important to document the compensating controls which help mitigate risks and maintain an effective audit trail as evidence of operational effectiveness.</p> <p>Without an adequate audit trail and proper user access rights in the online portal, there is an increased risk of one individual performing multiple duties which may lead to unauthorized purchases and misappropriation of assets.</p> <p>The Lead Cook should provide a copy of the order, either a hard copy or virtually, to the Site Manager. The Site Manager should document his/her approval of the order copy via sign-off or email approval. This evidence should be retained. This procedure will create an audit trail, evidencing that orders were reviewed and approved prior by appropriate personnel. Additionally, the copy of the approved order should be used by the individual receiving the inventory to perform the reconciliation of items purchased versus items received.</p> <p>If possible, user access rights should be established to support the segregation of duties between preparing, reviewing, and submitting orders.</p> <p>Response: We agree with the observation and will take the following steps to remediate the identified risk:</p> <ul style="list-style-type: none">• Work with our vendor to establish multiple logins to support adequate segregation of duties; and• Update our policy and procedures to reflect the applicable changes. <p>Responsible Party: Director of Area Agency on Aging</p> <p>Estimated Completion Date: September 30, 2020</p>
Recommendation	
Management's Action Plan	



PRINCE WILLIAM COUNTY

PROCESS MAPS



A horizontal bar composed of three segments: a grey segment on the left, a green segment in the middle, and a blue segment on the right.

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PRINCE WILLIAM COUNTY

Prince William County, Virginia Fire and Rescue System Apparatus Maintenance Analysis

September 4, 2020



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TRANSMITTAL LETTER

September 4, 2020

The Board Audit Committee of
Prince William County, Virginia
1 County Complex Court
Prince William, Virginia 22192

Pursuant to the internal audit plan for calendar year ending ("CY") 2019 for Prince William County, Virginia ("County" / "PWC"), approved by the Board of County Supervisors ("BOCS"), we hereby present the Fire and Rescue System Apparatus Maintenance Analysis. We will be presenting this report to the Board Audit Committee of Prince William County at the next scheduled meeting on September 22, 2020.

Our report is organized into the following sections:

Executive Summary	This provides a high-level overview and summary of the observations noted in this analysis.
Background	This provides an overview of processes surrounding the apparatus maintenance system, as well as relevant background information.
Objectives and Approach	The objectives of this analysis are expanded upon in this section.
Analysis	This section a summarization of the current maintenance practices and future state recommendations, by each Department.
Process Maps	This section provides a visual depiction of the workflow of key maintenance processes as currently performed at each Department.

We would like to thank the County's Fire and Rescue System and all those involved in assisting our firm with this analysis.

Respectfully Submitted,

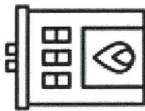
RSM US LLP

Internal Auditors

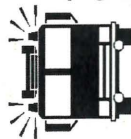


EXECUTIVE SUMMARY

Background



23 fire stations operate within nine distinct Departments across the County



~363 apparatus assets owned and operated the Fire & Rescue System ("System")



~\$2.4M average annual spend on apparatus maintenance

Governance



System: the combined structure (career + volunteer) created to deliver fire, rescue and emergency management services as defined in PWC Code Chapter 9.2 (adopted August 2017)

7-Member System Executive Committee:

- 3 Volunteer Fire & Rescue Department ("VFD") Chiefs
- 3 Assistant Chiefs
- Operational Medical Director

Apparatus Fleet Infrastructure and Maintenance Committee

New Fleet Manager Role: Streamline and centralize asset management

Analysis Highlights

Summary: Apparatus maintenance and management is siloed with no system-wide asset management system in place to support Fire & Rescue operations. Some fire and rescue stations within the System lacked the technological capability to produce basic asset maintenance data, which is vital to an effective apparatus management program within the System. As detailed in this report, to effectively move from the current siloed approach to a highly functioning asset management program, we recommend the System centralize maintenance management.

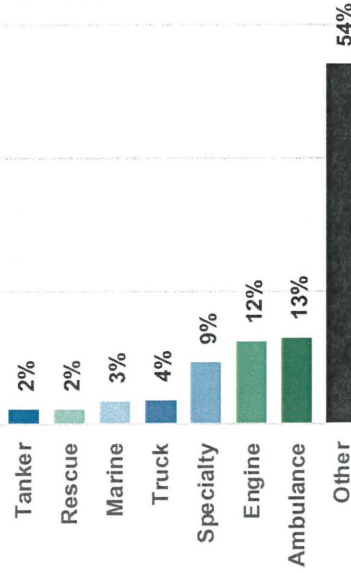
We also noted that third-party vendor contracts supporting the County's apparatus maintenance program are nearing expiration. We believe this is a great opportunity to bring key System leaders together to work with the Finance Department -- Procurement Services Division to review all maintenance contracts and issue new solicitation(s), helping to harness the purchasing power of the County.

Key Risks:

- Limited ability to assess and confirm apparatus readiness, which is critical to safely delivering firefighting and emergency medical services to residents of the County
- Inability to quickly identify historical maintenance activities by apparatus
- Inability to quickly quantify historical maintenance costs by apparatus
- Manual tracking of online/offline status of apparatus may limit agility of the System to re-assign assets for critical needs
- Strategic planning hampered by available information, and based on incomplete data
- Disaggregated use of vendors may limit competition and increase costs

Apparatus Analysis

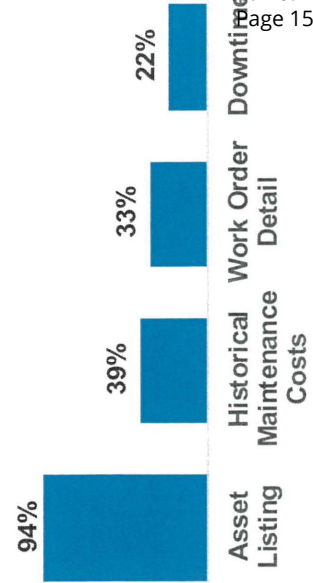
Apparatus – as of January 1, 2020:



~70 Vendors utilized for maintenance since 2016

5 Systems utilized to manage assets

Information readily available from Departments:





BACKGROUND

Defining Asset Management

Asset management refers to the processes that organizations use to monitor, maintain, upgrade, and replace capital assets throughout the asset lifecycle. Overall, effective asset management is the practice of managing capital assets to minimize the total cost of owning and operating assets, while maintaining the desired level of readiness. The asset lifecycle starts at the assessment of need and procurement continues with ongoing preventative and corrective maintenance, monitoring of portfolio (apparatus) health, and ends with the retirement of assets at determined thresholds. Throughout each of these processes, the collection and analysis of data is a key component to effective and informed decision-making.

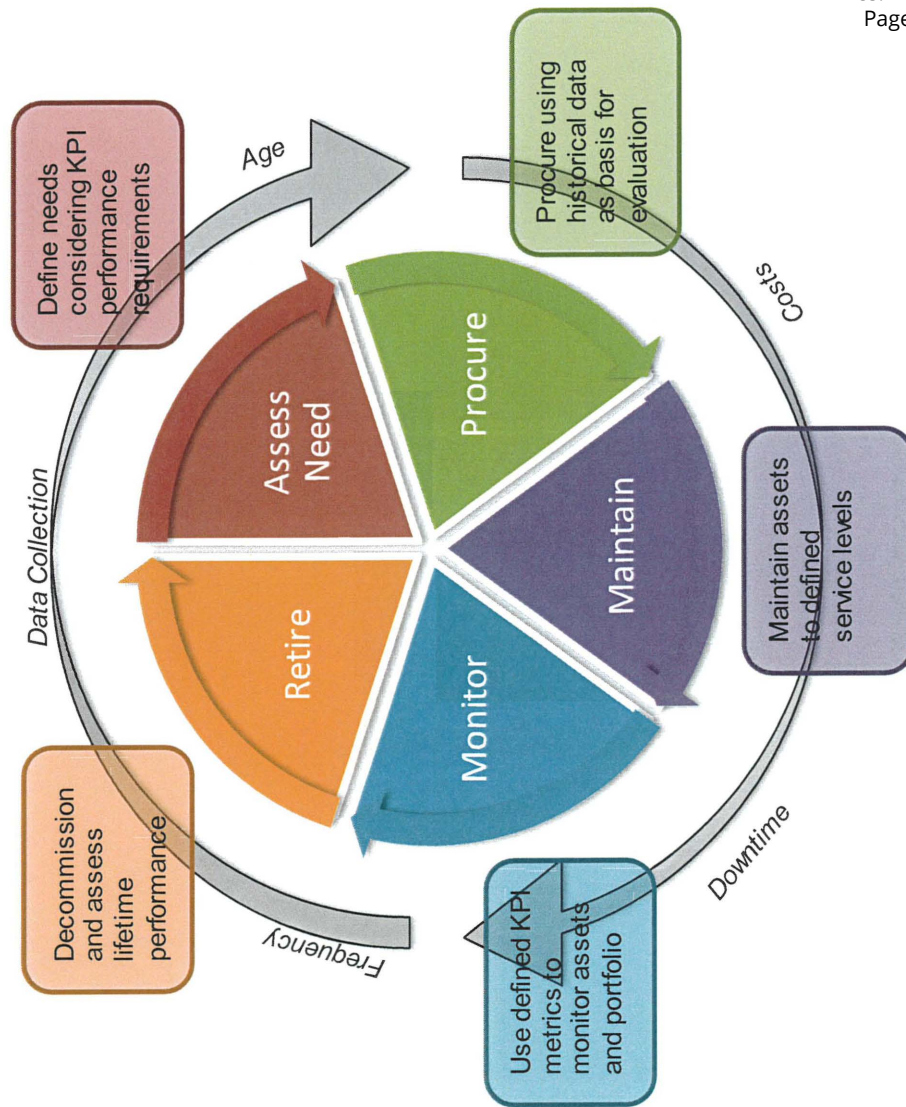
A high performing asset management program can provide extensive benefits, such as:

- Prolonging asset life and improving decisions about asset rehabilitation, repair, and replacement;
- Meeting purpose demands with a focus on asset availability;
- Budgeting focused on critical activities for sustained performance;
- Meeting service expectations and regulatory requirements;
- Improving responses to emergencies;
- Improving the safety of assets; and,
- Reducing overall costs for both operations and capital expenditures.

Critical to the success of a high-performing asset management program is the collection of accurate data, as access to data provides management with information necessary to make informed decisions. Whether through analysis of historical data to measure long-term performance, or through analysis of recent data to quickly identify emerging trends and issues, the consistent and accurate collection of data is crucial to providing a foundation for accurate decision-making.

Current Capabilities

As detailed in the pages that follow, we noted that the System currently lacks the ability to provide many of the critical data elements described above in an efficient and consistent manner. This is likely due to the current siloed approach to asset management, where each Department is responsible for the scheduling, tracking, and data collection of maintenance for the assets assigned to the Department. To fully realize the advantages of a highly functioning asset management program, the System will need to integrate and centralize several key processes.





PRINCE WILLIAM COUNTY

BACKGROUND – CONTINUED

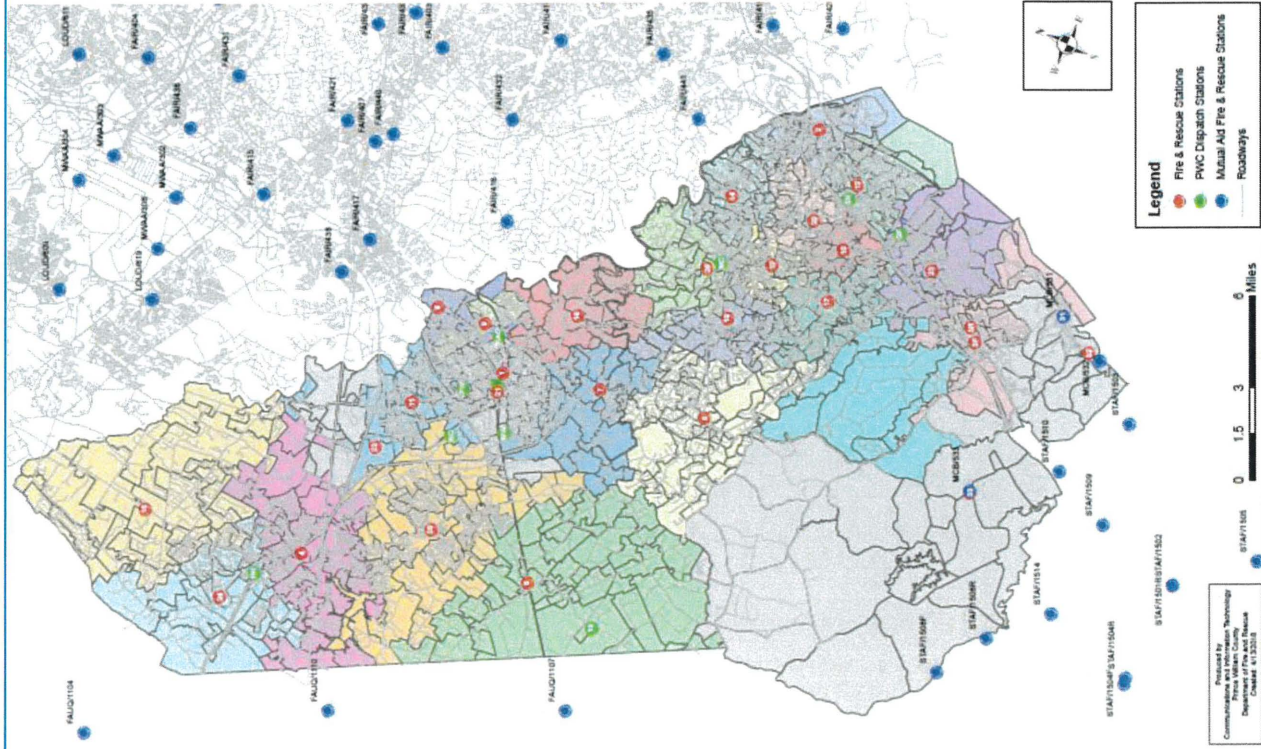
Fire and Rescue System Overview

The Prince William County Fire and Rescue System is comprised of the County's Department of Fire & Rescue ("DFR") and eight Volunteer Departments. These organizations are responsible for the provision of fire, rescue, and emergency medical services programs to Prince William County. Between the nine Departments, the County provides funding for 23 fire and rescue stations. The System operates as a combination system, with flex/combined staffing at many stations to provide 24-hour services to residents of the County.

The System's Executive Committee ("Committee") advises and consults the System Chief on matters such as policies, procedures, strategic planning, finances, audits, training requirements, and system-wide discipline of volunteer members. The Committee is comprised of seven members: three Volunteer Chiefs; Department of Fire & Rescue Deputy Chief and two Assistant Chiefs (or other career employee designee as appointed by the System Chief); and the County's Operational Medical Director.

With respect to the current asset management function, each Department within the System is responsible for the assets within the Department. In an effort to streamline and centralize the collection of asset information and deployment, the System recently created a Fleet Manager role. Responsibilities of this position include assisting in the coordination of maintenance and fleet activities across the System. These activities include monitoring the health of the fleet, assisting in the coordination of replacements for downtime, continuous monitoring of maintenance schedules and vendors, and assisting in gathering and analyzing fleet data to help the System make informed decisions.

The Fleet Manager role is critical to the future state recommendations noted within this report. As described above, the role will assist in the centralization of certain key functions and data collection, and act as a liaison between all Departments. As more data becomes available, the role will also be a critical component of the continuous monitoring and analysis function. As the function increases, and as recommended below, the need to expand from a single role to a team is apparent.





PRINCE WILLIAM COUNTY

BACKGROUND – CONTINUED

Fire and Rescue Apparatus

Each Department utilizes specialized equipment, which provide unique capabilities tailored to the Department's community and location. For example, some Departments maintain boats due to close proximity to the waterways, while others maintain all-terrain vehicles ("ATVs") to navigate through rough terrain.

Below is a chart summarizing each Department's fire and rescue assets (apparatus), as identified during an inventory count conducted in January 2020:

Number of Each Apparatus by Department*								
	Ambulance	Engine	Rescue	Tanker	Truck	Specialty**	Marine	Other***
Buckhall VFD	2	2		1		1		4
Dale City VFD	6	7	1		2	4		19
Department of Fire & Rescue	22	14	4	4	6	12	4	99
Dumfries-Triangle VFD		4	1	1		4		15
Lake Jackson VFD	2	2		1		3	5	6
Nokesville FD	4	4		1	2	3		10
OWL VFD	6	7	1		2	6	3	30
Stonewall Jackson VFD	2	2			1			5
Yorkshire VFD	2	2	1					5
Total	46	44	8	8	13	33	12	193

*provided by the Department of Fire & Rescue, compiled during an inventory conducted in January 2020

**examples include: Air Units, Attack, Brush Trucks, Canteen, Collapse Units, Command Units, Haz-Mat Units, MCU, Rehab, SWR Tow Vehicles, TSU

***examples include: Chief's vehicles, CIT, Emergency Management, EMS OPS, FMO, Health and Safety, Trailers, Training, Utilities

The following tables summarize the purchase costs of the apparatus assets owned by the County, as well as a count of the apparatus assets owned by the Volunteer Departments. Assets owned by the County are included within the fixed assets module within the County's financial management system, ASCEND; however assets owned by the Volunteer Departments are excluded from accounting records. Refer to the Observation section below for details related to the variance between the 159 assets included in the inventory count, and the 125 assets included in the County's accounting records.

System Assets Titled to County***	
Total owned	125
Total original cost	\$ 18,153,984
Average original cost	\$ 145,231

***provided by PWC Finance Department – Financial Reporting and Control Division, Capital Assetsteam

System Assets Titled to Volunteer Departments	
Total Owned	204
Total Original Cost****	\$ 34,729,512
Average Original Cost****	\$ 170,243

****estimates provided by DFR Administrative Division



BACKGROUND – CONTINUED

Fire and Rescue Apparatus Maintenance

Apparatus maintenance activities can be generally categorized as either preventative or corrective. Preventative maintenance includes those tasks performed on a piece of equipment in order to reduce the chance of failure or need for future corrective maintenance. Preventative maintenance includes procedures such as oil changes, fluid checks, and annual inspections. Corrective maintenance is work performed on a piece of equipment that has already failed and requires repair to bring the asset back to service.

Currently, each Department has individual processes for handling and tracking the preventative and corrective maintenance for their apparatus.

Monitoring Fire and Rescue Apparatus Maintenance

Currently, each Department has individual systems and processes for managing the preventative and corrective maintenance for their apparatus. Many of the Departments utilize software tools to assist in asset management efforts; however, the functionality of each Department's software varies, depending on the tools utilized, and the level of implementation.

Many of the Volunteer Departments use a system called Volunteer Management System ("VMS"). VMS is a web-based management system that was designed specifically to help volunteer fire departments manage their day-to-day operations. The system can be used to track recruiting, training programs, duty schedules, certifications, assets, and asset maintenance. Using an individual login, any member of the department can open the status board to view the status of any apparatus that is waiting for maintenance or view the tickets that have been opened in the past that are now closed.

The County's Department of Fire & Rescue coordinates with the County's Fleet Management Division (within Department of Facilities & Fleet Management) and external vendors to perform apparatus maintenance. The Fleet Management Division uses AssetWorks to track the work completed by Fleet Management including the work completed on DFR vehicles & equipment. AssetWorks is an asset management software used to track assets throughout its entire life. AssetWorks contains a module specifically for fleet management. The module oversees many aspects including maintenance schedules, work orders, and parts requests. Additionally, it contains a data analytics tool and administrative capabilities that can be used to track information related to billing, warranties, and procurement contracts.

IRONs is a module within, Podio, a web-based system used to organize team communication, business processes, data, and content in project management workspaces according to project needs. Currently, the IRONS module is used to track maintenance work orders and allows vendors to integrate with the system but has numerous project management capabilities.

OWL VFD utilizes an internally developed ticketing software that allows an apparatus user to submit a ticket whenever corrective maintenance is needed. The system automatically alerts the appropriate personnel when a ticket is submitted, allowing mechanics to fix the problem in a timely basis. Because OWL has their own maintenance facility, preventative maintenance is tracked manually in their shop.

	AssetWorks	VMS	IRONs	In-House System	Manual System
Buckhall VFD		X			
Dale City VFD			X		
Department of Fire & Rescue	X				
Dumfries-Triangle VFD		X			
Lake Jackson VFD		X			
Nokesville VFD		X			
OWL VFD				X	X
Stonewall Jackson VFD		X			
Yorkshire VFD					X



PRINCE WILLIAM COUNTY

BACKGROUND – CONTINUED

Data Tracking

Tracking data in a way that can be efficiently and effectively analyzed is an important part of any organization. Tracking costs and maintenance issues can help departments when making decisions about future apparatus purchases, building maintenance schedules, determining the biggest maintenance problems faced by each department and the related costs, and in allocating resources across departments in the event of an apparatus being down for longer than expected.

RSM requested data System-wide, including historical data regarding costs and problem tracking, to be used in our analysis. The requested items were based off what was able to be pulled from the respective maintenance record-keeping systems. The graphic below depicts the information each Department was able to provide out of their current maintenance tracking system. Refer to the Individual Department Analysis section below for further detail.

Department	Asset Listing	Historical maintenance costs of each apparatus by:			Maintenance ticket / work order details including:					Downtime
		Vendor	Labor	Parts	Apparatus Involved	Problem Reported	Date Opened	Date Closed		
PWC DFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Buckhall VFD	Y	V	V	V	W	W	W	W	W	V
Dale City VFD	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Dumfries Triangle VFD	Y	W	W	W	W	W	W	W	W	M
Lake Jackson VFD	Y	P	P	P	Y	Y	Y	Y	Y	V
Nokesville VFD	P	W	W	W	W	W	W	W	W	V
OWL VFD	Y	M	M	M	W	W	W	W	M	M
Stonewall Jackson VFD	Y	Y/M	Y/M	Y/M	W	W	W	W	W	V
Yorkshire VFD	Y	V	V	V	V	V	V	V	V	V

Legend

Y
P
W
V
M

Yes - The data/attribute is readily available and the information was provided to RSM

Partial - The cost data/attribute is available and was provided to RSM for certain items, but not all maintenance activities

Walkthrough - Based on our walkthroughs, we understand the system has capability to track this data; however, the information was not provided to RSM

Vendor - The data/attribute is not tracked by the department electronically, but may be available from vendors

Manual - The data/attribute is not tracked electronically, and gathering would require substantial manual effort



PRINCE WILLIAM COUNTY

BACKGROUND – CONTINUED

Vendor Utilization

Departments may use vendors that are directly contracted with Prince William County, or through a cooperative contract (where several municipalities procure a contract together). Three Departments do not use contracted vendors to perform the maintenance of their apparatus:

- OWL VFD employs mechanics for apparatus maintenance but utilize vendors for parts.
- Dumfries-Triangle VFD performs maintenance with an in-house mechanic after warranties expire.
- Approximately 100 of the County's DFR apparatus are maintained by the County's Fleet Management Division, with the remaining 60 maintained by a contracted vendor.

Regardless of Department and vendor, all invoices are processed through the ASCEND financial management system. The following table summarizes the largest maintenance contracts, including procurement and pricing structure, and payments made from fiscal year ending ("FY") June 30, 2017 through January 2020.

Contract Details for the Top 5 Vendors (ranked by cost) Since FY 2017						
Vendor	Total Spent*	Award Date	Expiration Date	Initiating Locality	Procurement Methodology	Pricing Structure
LOUDOUN SERVICES INC	\$2,114,624	7/1/2017	6/30/2020	Prince William County	Competitive Bid Only 1 bidder	Labor: \$1,000/annual service \$90/hour for non-contract services Parts: No discount
FIRST VEHICLE SERVICES	\$1,643,339	6/17/2016	12/31/2019 (with 3 renewal options available)	Loudoun County	Cooperative Procurement	Labor: \$225-\$1,597/Service for inspections and preventative maintenance (Depending on apparatus and service) \$99/hour (Labor rate for business hours repairs, pickup and delivery rate, and travel time rate) \$123.75/hour (Labor rate for non-business hours repairs) Parts: Not Specified
FINLAY FIRE APPARATUS & EQUIPMENT REPAIR	\$1,557,477	11/17/2015	11/16/2020	Prince William County	Competitive bid 5 bidders 1 contract awarded	Labor: \$110/hour (Shop rate and business hours field rate) \$126/hour (After-hours field rate) Parts: 15% discount (for applicable manufacturers per contract)
WILLIAMS EMERGENCY VEHICLE SERVICES	\$529,827	12/1/2017	3/1/2020	Houston-Galveston Area Council of Govts	Cooperative Procurement	This contract is for the purchase of Seagrave apparatus, not the maintenance of an apparatus so the pricing largely depends on the type of apparatus and specifications requested by the department. Pricing sheet lists prices between \$121,043 and \$1,197,352
ATLANTIC EMERGENCY SOLUTIONS	\$211,699	2/22/2017	2/20/2020	Dinwiddie County	Competitive bid 4 bidders 3 contracts awarded	Labor: \$870.35-\$1,004/Service (Depending on apparatus and service) \$100.94/hour (Labor rate for repairs) Parts: 10% discount
	\$621,591	12/30/2019	1/1/2021	Prince William County	Competitive Bid	Labor: \$111-\$142/hour (Depending on site and time) Annual Inspections: \$138.60-\$4,179.30/apparatus (Depending on type of inspection) Parts: 10% discount

* Unaudited totals provided by the Finance Department— Procurement Services Division



PRINCE WILLIAM COUNTY

BACKGROUND – CONTINUED

Vendor Utilization - Continued

Since October 2016, the System has used over 70 different vendors, excluding Procurement Cared ("P-Card") transactions. The top ten vendors account for approximately 84% of the total maintenance costs incurred, with the top three vendors accounting for approximately 65% of the total maintenance costs incurred.

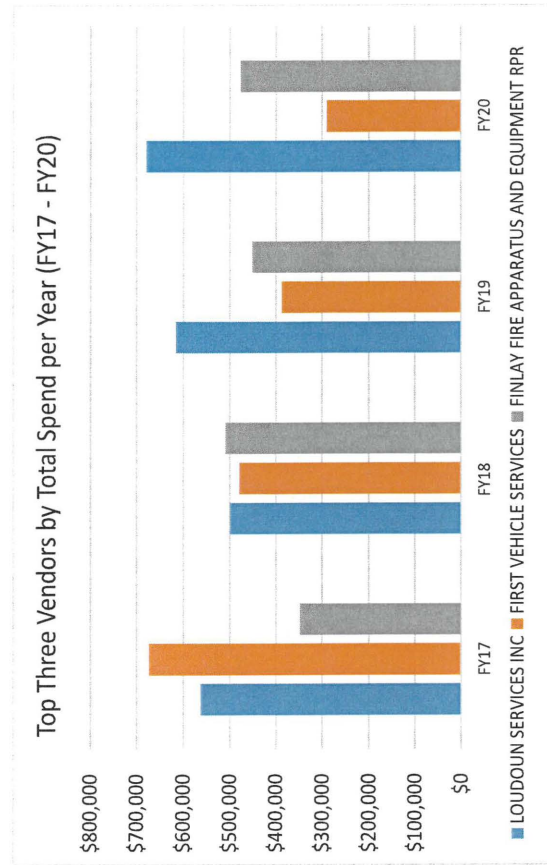
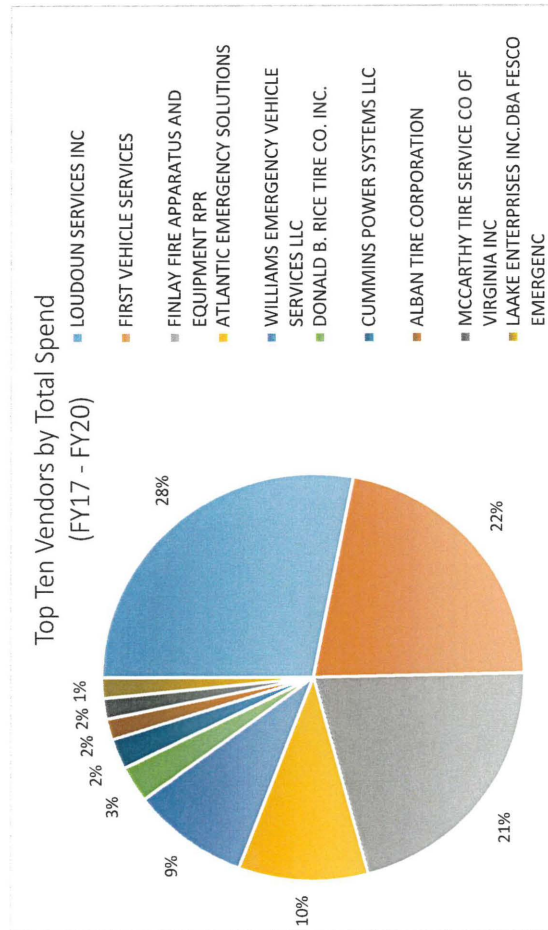
Total Spend by Vendor*					
	FY 2017	FY 2018	FY 2019	FY 2020**	Total
LOUDOUN SERVICES INC	\$562,398	\$499,533	\$615,097	\$679,104	\$2,356,132
FIRST VEHICLE SERVICES	\$672,018	\$478,736	\$386,638	\$290,814	\$1,828,206
FINLAY FIRE APPARATUS AND EQUIPMENT RPR	\$346,888	\$508,147	\$450,966	\$476,742	\$1,782,742
WILLIAMS EMERGENCY VEHICLE SERVICES LLC	\$103,245	\$49,042	\$339,371	\$623,769	\$833,254
ATLANTIC EMERGENCY SOLUTIONS	\$67,135	\$78,173	\$64,176	\$267,847	\$759,504
DONALD B. RICE TIRE CO. INC.	\$38,794	\$52,499	\$81,764	\$69,676	\$242,733
CUMMINS POWER SYSTEMS LLC	\$19,394	\$143,870	\$38,503	-	\$201,767
WOODDALE AUTOMOTIVE SPECIALISTS INC.	\$36,279	\$53,906	\$32,055	\$36,582	\$139,474
P-CARD CHARGES	\$10,216	\$30,817	\$55,157	\$28,820	\$138,630
MCCARTHY TIRE SERVICE CO OF VIRGINIA INC	\$36,421	\$41,200	\$32,189	\$43,487	\$138,241
OTHER (includes 65 vendors)	\$329,888	\$359,785	\$375,865	\$137,922	\$1,224,244
Total	\$2,222,676	\$2,295,708	\$2,471,781	\$2,654,763	\$9,644,928

*unaudited totals provided by DFR Administrative Division

BACKGROUND – CONTINUED

Vendor Utilization – Continued

The following charts show top 10 vendors by total spend, and top three vendors each year from FY 2017 – January 2020:





PRINCE WILLIAM COUNTY

BACKGROUND – CONTINUED

Vendor Utilization - Continued

Apparatus Maintenance Spending by Department*				
	FY 2017	FY 2018	FY 2019	FY 2020
Buckhall VFD	\$43,846	\$90,312	\$73,834	\$44,067
Dale City VFD	\$800,965	\$564,327	\$739,585	\$594,382
Department of Fire & Rescue**	\$1,333,670	\$1,362,354	\$1,353,270	\$2,058,684
Dumfries Triangle VFD*	\$65,783	\$117,670	\$91,865	\$39,289
Lake Jackson VFD	\$55,848	\$70,544	\$113,253	\$97,782
Nokesville VFD	\$237,466	\$319,620	\$227,248	\$308,000
OWL VFD*	\$189,167	\$355,746	\$302,220	\$62,165
Stonewall Jackson VFD	\$117,234	\$116,963	\$91,893	\$74,075
Yorkshire VFD	\$37,365	\$66,866	\$82,657	\$65,591
Total	\$2,881,344	\$3,064,402	\$3,075,825	\$3,344,034

*unaudited totals provided by DFR Administrative Division

**DFR totals include additional costs incurred by PWC's Fleet Management Division

The charts included herein represent data currently available, are only provided for informational purposes, and are not intended to present an analysis or comparison of the System's Departments. Cost variances noted between Departments are likely attributable to a combination of variables such as the average age of apparatus, mix of heavy equipment vs. light duty vehicles, and sophistication of preventative maintenance programs, among many other variables.

While the data currently available from the System does not include key attributes necessary for performing a detailed analysis, the recommendations included in this report endeavor to significantly expand the availability of data. When available, this data will provide the System with the information and allow for the development of tools and metrics necessary to perform deep analysis of the apparatus maintenance program.

*OWL and Dumfries-Triangle costs do not include the cost of labor (\$253,530 and \$111,789, respectively as provided by DFR Administrative Division).

Department	Total Spend	Total Assets	Average Spend per Asset
Buckhall VFD	\$252,059	13	\$19,389
Dale City VFD	\$2,699,259	42	\$64,268
Department of Fire & Rescue	\$6,107,978	159	\$38,415
Dumfries Fire VFD*	\$314,607	26	\$12,100
Lake Jackson VFD	\$337,427	15	\$22,495
Nokesville VFD	\$1,092,334	30	\$36,411
OWL VFD*	\$909,298	55	\$16,533
Stonewall Jackson VFD	\$400,165	10	\$40,017
Yorkshire VFD	\$252,479	13	\$19,421
Total	\$12,365,605	363	\$34,065



PRINCE WILLIAM COUNTY

BACKGROUND – CONTINUED

Vendor Utilization - Continued

Top Three Vendors (by amount spent) for Each Department		
Vendor Name	Department of Fire & Rescue	Amount Spent
Department of Fire & Rescue		
LOUDOUN SERVICES INC		2,356,132
ATLANTIC EMERGENCY SOLUTIONS		646,956
DONALD B. RICE TIRE CO. INC.		241,438
Buckhall Volunteer Fire Department		
FINLAY FIRE APPARATUS AND EQUIPMENT RPR		173,153
ATLANTIC EMERGENCY SOLUTIONS		46,622
MCCARTHY TIRE SERVICE CO OF VIRGINIA INC		19,532
Dale City Volunteer Fire Department		
FIRST VEHICLE SERVICES		1,643,339
WILLIAMS EMERGENCY VEHICLE SERVICES LLC		475,410
LAKE ENTERPRISES INC.DBA FESCO EMERGENC		67,202
Dumfries Triangle Volunteer Fire Department		
CUMMINS POWER SYSTEMS LLC		71,634
COWLES FORD INC		32,683
ATLANTIC EMERGENCY SOLUTIONS		28,872
Lake Jackson Volunteer Fire Department		
FINLAY FIRE APPARATUS AND EQUIPMENT RPR		215,454
C.W. WILLIAMS & CO		33,490
WESTERN BRANCH DIESEL INC		19,266
Nokesville Volunteer Fire Department		
FINLAY FIRE APPARATUS AND EQUIPMENT RPR		772,188
MCCARTHY TIRE SERVICE CO OF VIRGINIA INC		59,533
PATRIOT FIRE LLC		29,136
OWL Volunteer Fire Department		
WOODDALE AUTOMOTIVE SPECIALISTS INC.		138,446
CUMMINS POWER SYSTEMS LLC		133,247
JPMORGAN CHASE BANK N.A.		116,226
Stonewall Jackson Volunteer Fire Department		
FINLAY FIRE APPARATUS AND EQUIPMENT RPR		211,554
ATLANTIC EMERGENCY SOLUTIONS		124,544
MCCARTHY TIRE SERVICE CO OF VIRGINIA INC		27,312
Yorkshire Volunteer Fire Department		
FINLAY FIRE APPARATUS AND EQUIPMENT RPR		163,814
MCCARTHY TIRE SERVICE CO OF VIRGINIA INC		14,467
FIREHOSECARE INC		8,002



PRINCE WILLIAM COUNTY

OBJECTIVES AND APPROACH

Objectives

The objective of this analysis was to evaluate and assess the current structure of the System's fire and rescue apparatus maintenance practices and provide recommendations for improvement.

Approach

Our approach to this analysis was as follows:

Current State Analysis

Analysis of the current state consisted primarily of inquiry to obtain an understanding of the System's current structure and maintenance practices. The following procedures were conducted:

- Conducted interviews with each System Department to identify current practices for apparatus maintenance, including:
 - Identification of need (corrective and preventative)
 - Prioritization and scheduling
 - Performance of maintenance
 - Utilization of internal labor vs vendors
 - Vendor agreements and pricing
 - Documentation of maintenance performed
- In conjunction with the interviews described above, we also worked with the System to identify the complete listing of equipment recognized/maintained at each fire and rescue station, and the historical costs of maintenance (5-year lookback)
- After we obtained an understanding of current state, we conducted an analysis to identify recommended actions, in accordance with best practices, for the County to be consider during implementation of a future-state work order driven maintenance software and processes. This included analyzing controls within the following key areas:
 - Utilization of technology applications
 - Completeness and accuracy of data entry (time and materials costs)
 - Segregation of duties
 - Utilization of internal labor and vendors
 - Reporting and monitoring

Reporting

At the conclusion of this phase, we summarized the results of our analysis into this report. We conducted exit meetings with the System Executive Committee and the Board Audit Committee.



OBSERVATIONS MATRIX

1. Apparatus Inventory Variance	
Observation	
High	<p>During our analysis, we noted discrepancies between the fire and rescue apparatus inventory count conducted by the Department of Fire & Rescue, and the asset listing provided by the County's Finance Department – Financial Reporting and Control Division, Capital Assets team. Specifically, the inventory count identified 34 assets at DFR stations that were not included in the fixed asset listing within the County's ASCEND financial management system. Through further discussions, we understand these assets were likely inherited from the County's absorption of a prior Volunteer Department, which were never entered into ASCEND.</p> <p>In addition to the items identified during our analysis, we also understand that other discrepancies were previously identified within the fixed asset listing in ASCEND. During the County's financial statement audit for the fiscal year ended June 30, 2018, a material weakness was identified in internal controls over financial reporting, as the County's accounting records improperly capitalized assets owned by Volunteer Departments. Although the assets were purchased with the County's fire levy, the title to the assets only listed the respective VFD, and not the County. As a result of the finding, the County removed 87¹ capital assets valued at \$10.6M (\$14.3M purchase costs)² from its accounting records. Since then, we understand the County has taken efforts to dual-title assets purchased with fire levy funds, so the assets can be recorded in ASCEND.</p> <p>In discussions with representatives throughout the System and the Financial Reporting and Control Division, Capital Assets team, we noted that uncertainty exists regarding the completeness and accuracy of the County's capital asset records related to fire and rescue apparatus. Considering the variance noted during our analysis, coupled with the prior finding noted during the financial statement audit, the County's financial records may not accurately reflect the portfolio of fire and rescue apparatus.</p> <p>Accurate accounting of assets is the first step in creating a functioning asset management program. Without a comprehensive understanding of the County's fire and rescue fleet, budgeting, operating, and capital planning decisions may be made based on incorrect or incomplete information. A complete listing of assets is also critical for the County to produce and maintain accurate financial reporting.</p> <p>We recommend the County perform a comprehensive analysis to identify title ownership of all fire and rescue capital assets and perform a reconciliation of those records to the assets listed in ASCEND. After the reconciliation is performed, ASCEND should be appropriately updated to reflect assets titled to the County.</p> <p>As detailed in the pages that follow, we also recommend the County begin a robust program of tracking asset maintenance in a centralized database. To track maintenance activity by asset, details of all fire and rescue assets held by the System Departments must also be entered into the Asset Works maintenance software. When utilizing the recent asset inventory count to develop and/or reconcile the asset listing within the maintenance software, the County may also consider adding an attribute to track title status of the asset. This will allow for a recurring (annual) reconciliation between the maintenance software and ASCEND to validate that asset information remains complete and accurate within ASCEND, while also maintaining a record of all fire and rescue assets held by the System Departments in a centralized location.</p>
Recommendation	

¹ Per data provided by Financial Reporting and Control Division, Capital Assets team

² Comprehensive Annual Financial Report, June 30, 2018, finding 2018-001, pg. 297



OBSERVATIONS MATRIX – CONTINUED

Observation	1. Apparatus Inventory Variance – continued
Management's Action Plan	<p>Response: The Fire and Rescue System concurs with the findings of the report. On July 16, 2020, I gave the FRS Executive Committee guidance to develop a system wide apparatus maintenance program and they have established task groups to assist with this work. The findings of this report will be shared with the FRS Executive Committee and associated task groups to accomplish their work in developing a system wide apparatus maintenance program. Updates will be provided to the FRS System Chief on a monthly basis.</p> <p>Responsible Party: FRS System Chief</p> <p>Estimated Completion Date: TBD</p>



SUMMARY ANALYSIS

Each System Department manages apparatus maintenance in different ways. While the majority of the Departments use a ticketing system that contains historical ticket information, few Departments have the ability to easily track costs related to specific apparatus. Because the ticket systems and the financial data are not linked, there is no visibility into the type of apparatus that require the most corrective work or what the problems that have driven historical costs. A significant portion of spending by these Departments is related to the purchase of new apparatus and the costs associated with the maintenance. By providing the County with visibility into each of these different asset management systems, a periodic analysis of maintenance vendors, costs, problems, and downtimes can be performed, helping both the County and the Departments work together to make decisions. Access to complete data will also provide the County with the ability to conduct analyses used to drive strategic decisions in regards to maintenance of apparatus, for example whether continued utilization of vendors or development of an in-house service team is most advantageous.

Vendor Management Strategy

Develop metrics for objective evaluation of vendor performance

Analyze current vendors by:

- spend
- performance
- Identify overlap in parts / scope with discrepancies in cost
- location / accessibility

Develop strategy for procurement of expiring contracts, with consideration of:

- county-wide service and buying power
- vendor pools
- non-specialized vs. specialized requirements

Centralize Data

Centralize data for comprehensive analysis through:

- When not previously captured, begin entry of data into existing systems
- Development of integrations for use in future data uploads from external sources to central record
- Migration of historical data from volunteer-owned systems to central record
- Migration of historical data from vendor systems to central record

Create Performance Metrics

Create performance metrics for evaluation of the maintenance program

Use metrics to drive daily, weekly, monthly, quarterly, annual, multi-year reporting

Examples of metrics may include reporting of the following:

- cost per mile / hour
- average down time
- maintenance frequency
- average maintenance activity cost

Above metrics may be further segregated by:

- manufacturer
- department
- equipment type
- vendor

Use Data and Metrics to Drive Decisions

Utilize performance metrics to drive enterprise level decisions such as:

- fleet age
- fleet health
- total cost of ownership
- apparatus replacement lifecycle
- manufacturer performance
- vendor performance
- asset reliability
- down time
- long-term cost and feasibility projections
- dispose, or maintain analysis
- cost proposal vs historical cost analysis

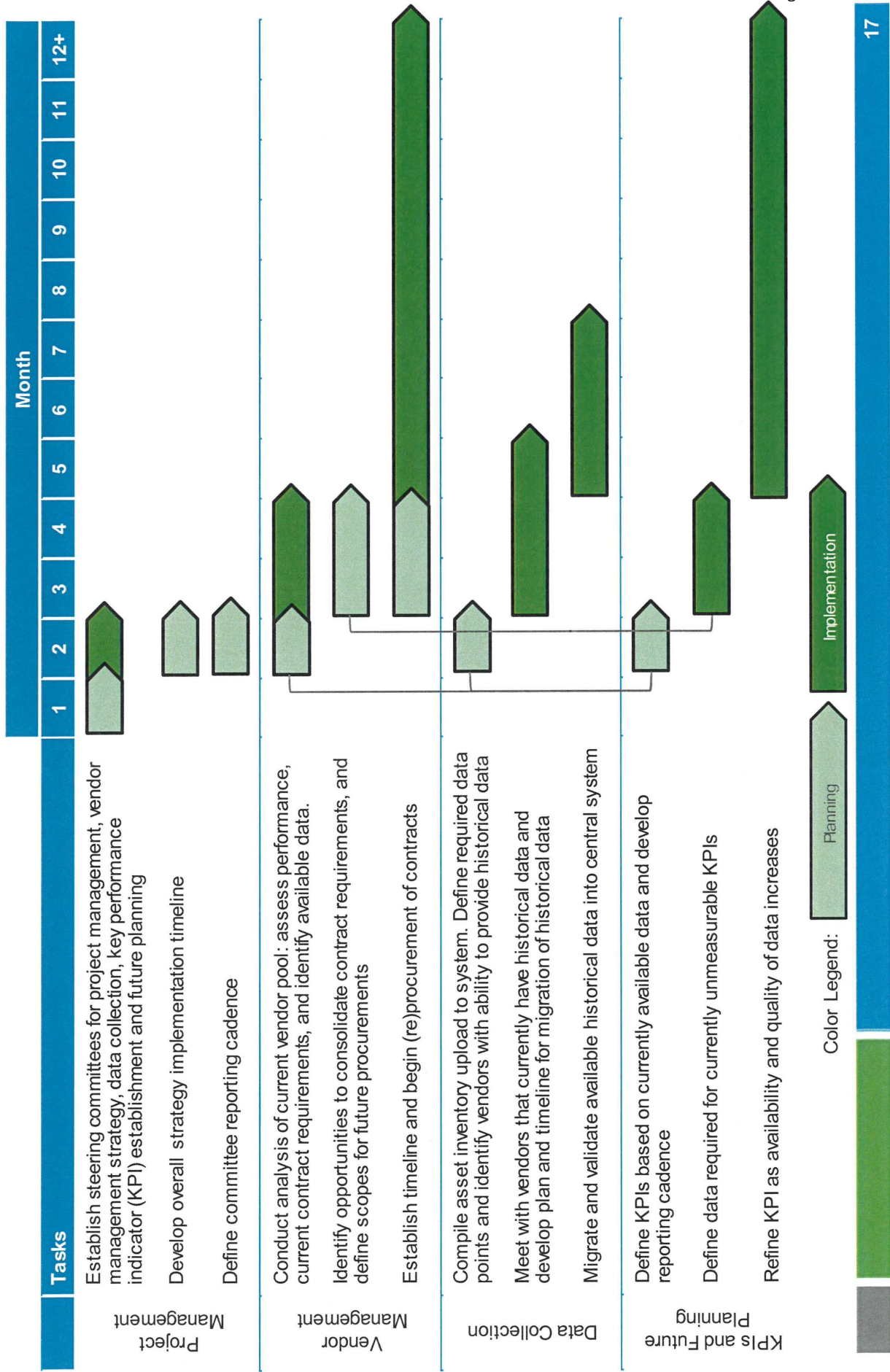
Future analyses to drive strategic vision for maintenance and utilization of vendors versus in-house



PRINCE WILLIAM COUNTY

SUMMARY ANALYSIS – CONTINUED

The chart below summarizes the major tasks and example timeline relevant to implementing the recommended actions included within this report.





SUMMARY ANALYSIS – CONTINUED

The pages that follow contain an outline of the current state of technologies, vendors, and monitoring efforts related to apparatus maintenance, with a corresponding future state recommendation and action plan for how to centralize data.

Summary / Overall	
Current State	Future State Recommendation
<p>Technology</p> <p><u>AssetWorks</u>:- The County's Department of Fire & Rescue utilizes AssetWorks to track maintenance activities and associated costs.</p> <p><u>Volunteer Management System ("VMS")</u> - Many Volunteer Departments utilize VMS, though to varied degrees. VMS has the capability to track noted issues and status by equipment but is not utilized to track maintenance activity or costs.</p> <p><u>IRONS</u> - One VFD uses IRONS to track maintenance activities and associated costs.</p> <p><u>Internally Developed</u> - One VFD uses internally developed software to track noted issues and status by equipment. The system tracks some maintenance data but does not include costs.</p> <p><u>Manual</u> - One VFD uses manual (paper) records as historical information for maintenance and cost data.</p> <p>Each of the systems described above operate in silos and are not currently configured to communicate or share data.</p>	<p>To realize the benefits associated with a highly functioning asset management program, the System will eventually require full centralization of data collection and maintenance in a capable Computerized Maintenance Management System (CMMS). For this, we recommend utilization of AssetWorks, considering the software's functionality allows for the achievement of recommendations outlined herein, and as several apparatus are already tracked within the AssetWorks system.</p> <p>If pursued by the System Chief after consultation with the Executive Committee, the shift to a fully centralized CMMS will require significant effort, time, and the collaboration of all nine Departments. We recommend collection of data from existing sources when available, until full centralization can occur.</p> <p>To facilitate the entry of data to the CMMS, we recommend the Fleet Manager work with each Department to develop an approach to obtaining Department data, either from Department software or from vendors and incorporating the data into AssetWorks. The following data points should be collected, at minimum:</p> <ul style="list-style-type: none">• Apparatus / VIN• Apparatus mileage/hours• Dates apparatus in/out of service• Dates service begin/end• Type/description of service• Parts/materials costs• Labor costs• Sub-vendor costs <p>We understand that certain third-party vendors maintain maintenance records by each asset. As such, relevant key data including maintenance activity, parts and labor costs may be available from these vendors in a format usable by System Management. This considered, we recommend collection of historical data from the various Departments and third-parties, as available. This historical data, coupled with centralization of data going forward, will provide management with key information needed to establish a high-functioning monitoring program.</p> <p>Key Risks Addressed:</p> <ul style="list-style-type: none">• Limited ability to assess and confirm apparatus readiness, which is critical to safely delivering fire, rescue and emergency medical services to residents of the County• Inability to quickly identify historical maintenance activities by apparatus• Inability to quickly quantify historical maintenance costs by apparatus• Manual tracking of online/offline status of apparatus may limit agility of System to re-assign assets for critical needs• Strategic planning hampered by available information, and based on incomplete data• Disaggregated use of vendors may limit competition and increase costs



SUMMARY ANALYSIS – CONTINUED

Summary / Overall (continued)		
Vendors	Current State	Future State Recommendation
	<p>Usage of vendors varies widely by Department, from fully outsourced models to cover all maintenance aspects, to mostly insourced where internal staff provide maintenance services, and vendors are used only for warranty work and parts supply. In most cases, Departments individually procured contracts (or piggybacked contracts from other public entities) with a variety of vendors to perform maintenance, with assignment dependent on apparatus type, location, and complexity.</p>	<p>We understand the new Fleet Manager position is intended to act as a liaison between the System and vendors to assist in management of the System's entire fleet. As the System is moving to a more centralized environment, and because many existing contracts were designed around the decentralized environment, the County should re-procure the contracts to maximize the benefits to the entire County. These benefits would include:</p> <ul style="list-style-type: none">• Providing a mechanism for the System to utilize one contract• Update contract requirements to include collection and sharing of critical data, or access for utilization of AssetWorks when vendors do not possess the ability to internally track work order details• Allowing the System to negotiate terms and pricing with vendors directly, rather than relying on other jurisdictions for cooperative or piggy-backed contracts• Negotiating for advantageous pricing for entire System fleet, rather than Department-specific apparatus• Contract start/termination dates fit to the System's schedule to stagger future re-procurements <p>We recommend the System re-procure contracts, with a focus on utilizing the Countywide purchasing power to obtain the best available pricing and provide for a variety of vendors. Understanding that many VFDs have cultivated relationships with vendors used on an ad-hoc basis over the last several years, the procurement process should solicit System-wide input during scope development. Multiple-award options should be considered to establish a prequalified pool of vendors, which can allow for vendor assignment, based on specific expertise or geographic convenience, and can minimize the risk of overburdening a single vendor.</p> <p><i>Key Risks Addressed:</i></p> <ul style="list-style-type: none">• Disaggregated use of vendors may limit competition and increase costs



SUMMARY ANALYSIS – CONTINUED

Summary / Overall (continued)	
Current State	Future State Recommendation
<p>Monitoring</p> <p>The mix of technologies used throughout the System also leads to a mix of monitoring practices. When technologies are utilized that allow for collection of data relevant to maintenance activities, the data can then be utilized to provide management with analyses for better decision-making and strategic planning. AssetWorks and IRONS offer more advanced capabilities of tracking maintenance and associated costs. The internally developed system used by one VFD allows for tracking of activities, but not associated costs. VMS allows for the monitoring of assets status on a real-time basis, but is limited in providing costs, and other historical data. Other Departments depend on monitoring performed by maintenance vendors, and/or manual data compilation for monitoring and reporting on an ad-hoc basis.</p>	<p>As stated in the overall Technology section above, we recommend the System use AssetWorks as the CMMS for the collection and maintenance of data. To facilitate timely and accurate collection of data, either the Fleet Manager or additional resources should coordinate with vendors and each Department to transition the upload of data collected and ongoing monitoring to a centralized platform.</p> <p>The CMMS should include an asset listing that is continuously updated as new apparatus are acquired by each Department, and all preventative and corrective maintenance activity System-wide. This may include performing a physical inventory count to verify the existence and completeness of the current list of apparatus.</p> <p>As the System continues to collect more information, we recommend personnel work to establish a set of key performance indicators ("KPIs"). The KPIs should be reviewed on a regular basis, as continuous collection of the data and review of the associated KPIs will allow the System to assess how these different elements change over time. The definition of KPIs should also be reviewed and changed, as the amount and type of information evolves.</p> <p>The Fleet Manager role is a critical component in the development of a robust monitoring program. The role's central involvement in the collection and analysis of data, coupled with the collaboration of various Departments throughout the System, provides a function dedicated to managing the fleet of the System. This perspective will be invaluable as the System continues to merge and monitor data. As the responsibilities of the role increase, the resource requirements may extend beyond the single role and require a team or capital asset unit. We understand that certain Departments have salaried positions functioning as a Fleet Manager for the apparatus of that Department. This considered, we also recommend the System conduct an analysis to fully define the functions and responsibilities of existing Fleet Manager roles, determine how they currently intertwine, and how these roles can, together, support the management of the System's entire fleet.</p> <p>Key Risks Addressed:</p> <ul style="list-style-type: none">• Limited ability to assess and confirm apparatus readiness, which is critical to safely delivering firefighting and emergency medical services to residents of the County• Inability to quickly identify historical maintenance activities by apparatus• Inability to quickly quantify historical maintenance costs by apparatus• Manual tracking of online/offline status of apparatus may limit agility of System to re-assign assets for critical needs• Strategic planning hampered by available information, and based on incomplete data



INDIVIDUAL DEPARTMENTAL ANALYSIS

Prince William County Department of Fire & Rescue (DFR)

Current State

Technology

AssetWorks is the asset management system currently used by the County's Fleet Management Division. The system is used to monitor maintenance schedules, create work orders, and track information related to billing, warranties, and procurement contracts. Work orders are created in AssetWorks for corrective maintenance issues, while the County's Fleet Management Division and primary outsourced vendor maintain the preventative maintenance schedules for their respective apparatus. AssetWorks contains electronic data interchange (EDI) capabilities, meaning that the system allows for the computer-to-computer exchange of business information in a standard and structured format.

Vendors

Within the System, the DFR uses both the County's Fleet Management Division and Atlantic Emergency Solutions ("AES") for corrective and preventative maintenance. The Fleet Management Division maintains approximately 100 apparatus and AES approximately 60 apparatus. While both the Fleet Management Division and AES maintain the schedules for preventative maintenance, the System's Fleet Lieutenant and Fleet Manager coordinate with the appropriate corrective maintenance provider for all DFR stations after a work order has been entered into AssetWorks.

Monitoring

The information available from AssetWorks includes a robust set of data points that can provide insightful information used in analysis and decision-making. These data points include work order number, status, department ID, asset number, labor hours, labor and parts costs separated by internal and commercial labor, miscellaneous costs, and total costs. On an as needed basis, the DFR reviews and analyzes the data available in AssetWorks. Specifically, the maintenance report data is used to assess the condition of apparatus that may need to be replaced or retired.



INDIVIDUAL DEPARTMENTAL ANALYSIS – CONTINUED

Buckhall Volunteer Fire Department	
	Current State
Technology	<p>Buckhall VFD ("Buckhall") uses Volunteer Management System (VMS) as the maintenance ticketing system. The system is used to create and track maintenance tickets, monitor apparatus status, and notify the involved parties of ticket creations and changes. Historical records were not provided by the Buckhall; however, based on our walkthroughs we understand that a report from VMS could be generated containing the maintenance ticket information (without costs). We also understand that Buckhall primarily uses a contract with Finlay Fire to perform maintenance work. As Finlay is contractually required to track the details of repair orders performed, the majority of data related to Buckhall's repair activities may be accessible electronically.</p>
Vendors	<p>Finlay Fire is the primary maintenance vendor used by Buckhall. Finlay monitors the preventative maintenance schedule of assigned apparatus and performs the majority of corrective maintenance. Non-emergency repairs are deferred until the next regularly scheduled preventative maintenance. When an apparatus is due for maintenance, Finlay coordinates with Buckhall to identify a time for the repair. If Finlay is unable to perform a given repair, other vendors may be utilized, but are scheduled, coordinated, and invoiced through Finlay.</p> <p>Western Branch Diesel, Atlantic Emergency Solutions, and McCarthy Tire are other vendors utilized by Buckhall, though to a lesser extent than Finlay.</p>
Monitoring	<p>Although VMS data was not provided to RSM, based on our walkthrough and conversations with Buckhall leadership, we understand real-time issues in VMS are monitored, and that Buckhall generates reports from VMS on an ad-hoc basis. A Buckhall administrator submits invoices to County Finance after approval by the Engineer; however, costs are not tracked alongside the maintenance ticket.</p>



INDIVIDUAL DEPARTMENTAL ANALYSIS – CONTINUED

Dale City Volunteer Fire Department	
	Current State
Technology	<p>Dale City VFD (“Dale City”) purchased a module from Podio’s project management software called IRONS. Dale City uses the software to manage and track individual apparatus, to manage the related maintenance through work orders, and to aide in communication with the primary vendor on the status of apparatus needing maintenance. It serves as Dale City’s internal recordkeeping tool to report issues; however, it does not include cost and resolution data. Vendors have access to close issues after related maintenance has been performed.</p> <p>Dale City provided reporting from IRONS that included issue(s) noted, creation date, apparatus, and details. Additional work order details by apparatus were also obtained from Dale City’s two vendors that included cost and maintenance activity detail.</p>
Vendors	<p>First Vehicle Services (FVS) is the primary maintenance vendor and Williams Emergency Vehicle Services (WEVS) is the secondary maintenance vendor utilized by Dale City. FVS maintains the preventative maintenance schedule and alerts Dale City as an apparatus becomes due. FVS then performs the work in Dale City’s in-house shop. Either FVS or WEVS perform the majority of preventative maintenance and some corrective maintenance. When an apparatus under warranty needs corrective maintenance, or if the work cannot be done in-house, other vendors may be used.</p> <p>FVS maintains most of the parts needed for maintenance, but Dale City keeps a small inventory in-house, for quick-fix supplies and parts.</p>
Monitoring	<p>Dale City currently monitors apparatus maintenance spending through a monthly report received from FVS. The report contains all of the costs by apparatus for the respective month and is reviewed by Dale City for accuracy and for any unusual trends in spending for that month. As noted above, Dale City was able to provide historical work orders obtained from FVS, an export of work order details from WEVS’s system, and a report from IRONS detailing the tickets entered into the system.</p>



INDIVIDUAL DEPARTMENTAL ANALYSIS – CONTINUED

Dumfries Triangle Volunteer Fire Department	
	Current State
Technology	<p>Dumfries-Triangle VFD (“Dumfries-Triangle”) uses VMS for submission and tracking of maintenance tickets when a corrective maintenance need is identified. The VMS system notifies the Captain, the Chief, and the initiator anytime a ticket is created, updated, or closed. As the maintenance takes place, the ticket details are updated to include notes about cost, the nature of the repair, who does the repair, and the purchase order number.</p> <p>Dumfries-Triangle maintains the schedule for all preventative maintenance of apparatus after the warranty expires, separately from VMS.</p> <p>Historical records were not provided by Dumfries-Triangle; however, based on our walkthroughs we understand that a report from VMS could be generated containing the maintenance ticket information.</p>
Vendors	<p>Dumfries-Triangle utilizes both in-house maintenance and vendor maintenance. A salaried mechanic (also a member Captain of the VFD) performs all preventative maintenance of apparatus not covered by a warranty, as well as certain corrective maintenance activities not covered by a warranty. To service apparatus on-site, Dumfries-Triangle maintains a small inventory of parts for common maintenance issues, but typically orders as needed. Parts vendors utilized include EquipmentWorks, Northern Virginia Supply, and Alban Tire.</p> <p>If an apparatus is under warranty, the manufacturer is contacted to perform the maintenance.</p>
Monitoring	<p>Although VMS data was not provided to RSM, based on our walkthrough and conversations with Dumfries-Triangle leadership, we understand real-time issues in VMS are monitored, and that Dumfries-Triangle generates reports from VMS on an ad-hoc basis. Dumfries-Triangle indicated that costs and purchase order information is contained within the VMS notes for each activity; however, we understand that cost is not a separate attribute, and as such, creating data in a searchable and sortable format would require manual entry of costs into a separate field.</p>



INDIVIDUAL DEPARTMENTAL ANALYSIS – CONTINUED

Lake Jackson Volunteer Fire Department	
	Current State
Technology	<p>Lake Jackson VFD ("Lake Jackson") utilizes VMS to create and track maintenance tickets, maintain preventative maintenance and inspection schedules, and to notify relevant parties. Lake Jackson utilizes a scheduling function of VMS that allows for the pre-scheduling of preventative maintenance tickets, which then automatically creates a ticket on a specified date. Tickets for corrective maintenance are entered into VMS, updated, and closed by Lake Jackson's Secretary. The VMS system sends a notification to all involved parties, including Finlay Fire, when a ticket is created or updated.</p> <p>We also understand that Lake Jackson primarily uses a contract with Finlay Fire to perform maintenance work. As Finlay is contractually required to track the details of repair orders performed, the cost data related to Lake Jackson's repair activities performed by Finlay may be accessible electronically.</p>
Vendors	<p>Finlay Fire is the primary vendor and performs all preventative maintenance, excluding inspections, and handles all corrective maintenance. If Finlay is unable to perform a given repair, other vendors may be utilized, but are scheduled, coordinated, and invoiced through Finlay. McCarthy Tire is utilized for tire work and state inspections.</p>
Monitoring	<p>Lake Jackson was able to provide RSM with an excel export containing ticket details of maintenance work orders. Fields included apparatus involved, asset category, repair status, repair summary, and description notes, which often contained the closed date. Based on our walkthrough and conversations with Lake Jackson leadership, we understand real-time issues in VMS are monitored, and that Lake Jackson generates reports from VMS on an ad-hoc basis.</p>



INDIVIDUAL DEPARTMENTAL ANALYSIS – CONTINUED

Nokesville Volunteer Fire Department

Current State

Technology

Nokesville VFD (“Nokesville”) uses VMS to create and track maintenance tickets, maintain preventative maintenance and inspection schedules, and to notify the involved parties. Historical records and other supporting documents were not provided by Nokesville; however, based on our walkthroughs we understand that a report from VMS could be generated containing the maintenance ticket information (without costs). Nokesville also indicated that VMS is used to send automated notifications for each apparatus’ preventative maintenance, based on a pre-determined schedule (extended for 5 years). These notifications are then used to schedule preventative maintenance tasks with vendors.

Vendors

Finlay Fire is the primary vendor used for apparatus maintenance. Finlay is contacted to schedule maintenance, after the automated VMS notification is distributed. All preventative maintenance needs scheduled via the VMS automated notification function, and corrective maintenance, with the exception of ambulance maintenance, are performed by Finlay Fire. If Finlay is unable to perform a given repair, other vendors may be utilized, but are scheduled, coordinated, and invoiced through Finlay. Work on ambulances is performed by FESCO, which is a regional authorized dealer for Nokesville’s ambulance manufacturer. FESCO is contracted through a cooperative contract. The Nokesville EMS Captain contacts FESCO who then picks up the apparatus and delivers it after the repair.

Monitoring

Although VMS data was not provided to RSM, based on our walkthrough and conversations with Nokesville leadership, we understand Nokesville utilizes VMS for automated preventative maintenance schedule notifications. Nokesville also indicated that real-time issues in VMS are monitored, and that reports are generated on an ad-hoc basis. Nokesville should have the ability to create reports from maintenance tickets in VMS, but cost details would involve manual data entry from invoices. Nokesville also divides available apparatus into two fleets, on a rotational basis to minimize downtime and maximize resources available to the public.



INDIVIDUAL DEPARTMENTAL ANALYSIS – CONTINUED

Occoquan-Woodbridge-Lorton (OWL) Volunteer Fire Department	
	Current State
Technology	<p>Utilizing in-house capabilities, OWL internally developed a ticketing system for corrective maintenance reporting and tracking, designed to meet their needs as a VFD that performs nearly all maintenance activities in-house. The internally developed system tracks identification of corrective maintenance need(s), current status, notes regarding the repair, and closure of the issue after maintenance is performed, but does not track associated costs.</p> <p>Preventative maintenance is monitored through a detailed master schedule, manually maintained and coordinated by OWL's Maintenance Coordinator. Each apparatus has a paper file containing all past tickets, invoices, inspection reports, and other documentation related to the apparatus.</p>
Vendors	<p>Preventative and corrective maintenance is performed by the in-house mechanics, except for corrective maintenance needed on engines, transmissions, and suspensions. To service apparatus on-site, OWL maintains an inventory of parts for preventative maintenance and other common corrective maintenance issues. Northern Virginia Supply is the primary vendor used for ordering and replenishment of parts.</p> <p>Loudoun Services Inc., Atlantic Emergency Services, or Finlay Fire are utilized as vendors to perform work that OWL mechanics cannot complete on-site.</p>
Monitoring	<p>Although system data was not provided to RSM, based on our walkthrough and conversations with OWL leadership, we understand real-time issues in the system are monitored, and that OWL generates reports on an ad-hoc basis. Since the maintenance ticket and cost information are stored separately, we understand that significant manual effort would be required to obtain cost data by apparatus.</p>



INDIVIDUAL DEPARTMENTAL ANALYSIS – CONTINUED

Stonewall Jackson Volunteer Fire Department	
	Current State
Technology	<p>Stonewall Jackson VFD ("Stonewall") utilizes VMS and QuickBooks (accounting software) in tandem to provide ad-hoc reporting. VMS houses issue reporting and status, maintenance schedules, and online/offline status of apparatus. QuickBooks is utilized to store cost information by vendor. Although QuickBooks is used to store costs by vendor, through discussion with Stonewall, we noted that invoices may contain multiple line items related to different apparatus, and information stored in QuickBooks is limited to the vendor name, invoice date, and total. Stonewall was able to provide a report from QuickBooks detailing costs by vendor and provided scanned copies of maintenance invoices for the previous five years. However, we understand this required significant manual entry to scan all of the invoices and compile data into a consolidated spreadsheet.</p> <p>Similar to many VFDs mentioned above, the Finlay Fire contract includes a provision in Attachment A that details the data tracking requirements of repair orders.</p>
Vendors	<p>Finlay Fire is used as the main vendor for apparatus maintenance and performs the majority of preventative maintenance and some corrective maintenance. For warranty and specialized services, other vendors are used including, but not limited to, ADX, Western Branch, Cummins, Cowles Ford, and McCarthy Tire.</p>
Monitoring	<p>Stonewall utilizes VMS and Quickbooks to create reports as needed for analysis. As noted above, Stonewall was able to provide a QuickBooks report and past maintenance invoices. However, since the maintenance ticket and cost information are stored in separate systems, we understand that significant manual effort was required to obtain cost data by apparatus.</p>



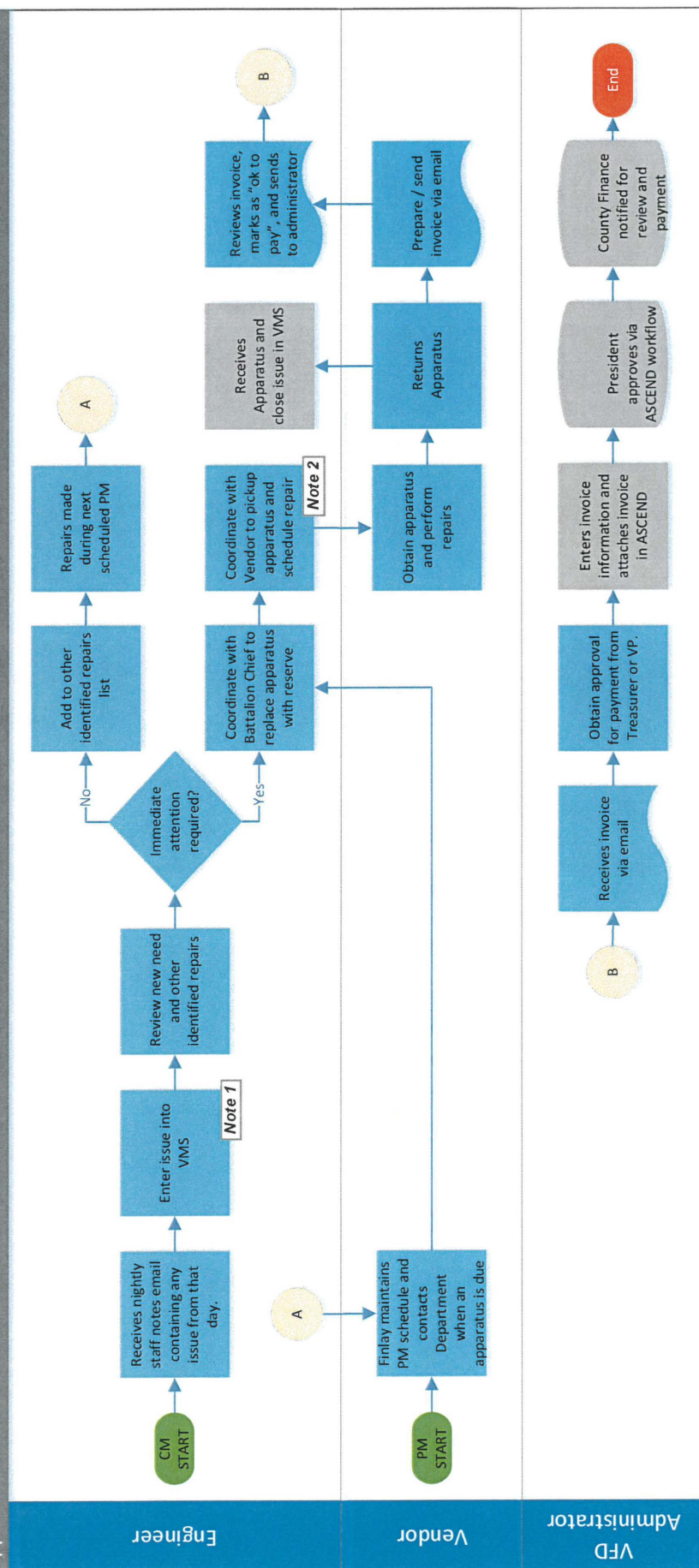
INDIVIDUAL DEPARTMENTAL ANALYSIS – CONTINUED

Yorkshire Volunteer Fire Department	
	Current State
Technology	<p>The Yorkshire VFD ("Yorkshire") primarily uses a contract with Finlay Fire to perform maintenance work. As Finlay is contractually required to track the details of repair orders performed, the majority of data related to Yorkshire's repair activities may be accessible electronically.</p> <p>Separate from the data maintained by Finlay, Yorkshire maintains paper records of all maintenance and inspection activities by apparatus. The folders include all invoices, inspection records, and corrective maintenance request forms and emails. The Department can reference a specific invoice or maintenance activity with the records on hand; however, compilation of data for summarization or mining purposes would require substantial effort.</p>
Vendors	<p>Finlay Fire currently schedules and performs all preventative maintenance and the majority of corrective maintenance. If an issue arises that Finlay cannot address, Finlay subcontracts to a third-party vendor that can perform the work. No Yorkshire apparatus are currently under warranty. All maintenance activities performed excluding tire work and state inspections are tracked by Finlay. McCarthy Tire is used for tires and for semi-annual state inspections. These invoices and records are maintained in each apparatus's respective maintenance folder.</p>
Monitoring	<p>Yorkshire can compile information through requests of data from Finlay, and review of paper records maintained on site. A recurring review of key metrics is not performed, as review of records maintained by Yorkshire is performed as needed.</p>

PROCESS MAPS

Buckhall VFD

Apparatus Maintenance Process



Note 1: VMS (Volunteer Management System) is a system used to create and manage the status of maintenance tickets.

Note 2: Vendors include:
Finlay Fire – maintenance for most apparatus
Atlantic Emergency Solutions (AES) – manufacturer of most apparatus
Western Branch Diesel/Cummings – drivetrain vendors

Manassas Chevrolet – Small vehicle maintenance
McCarthy Tire – Tire supplier/annual inspections

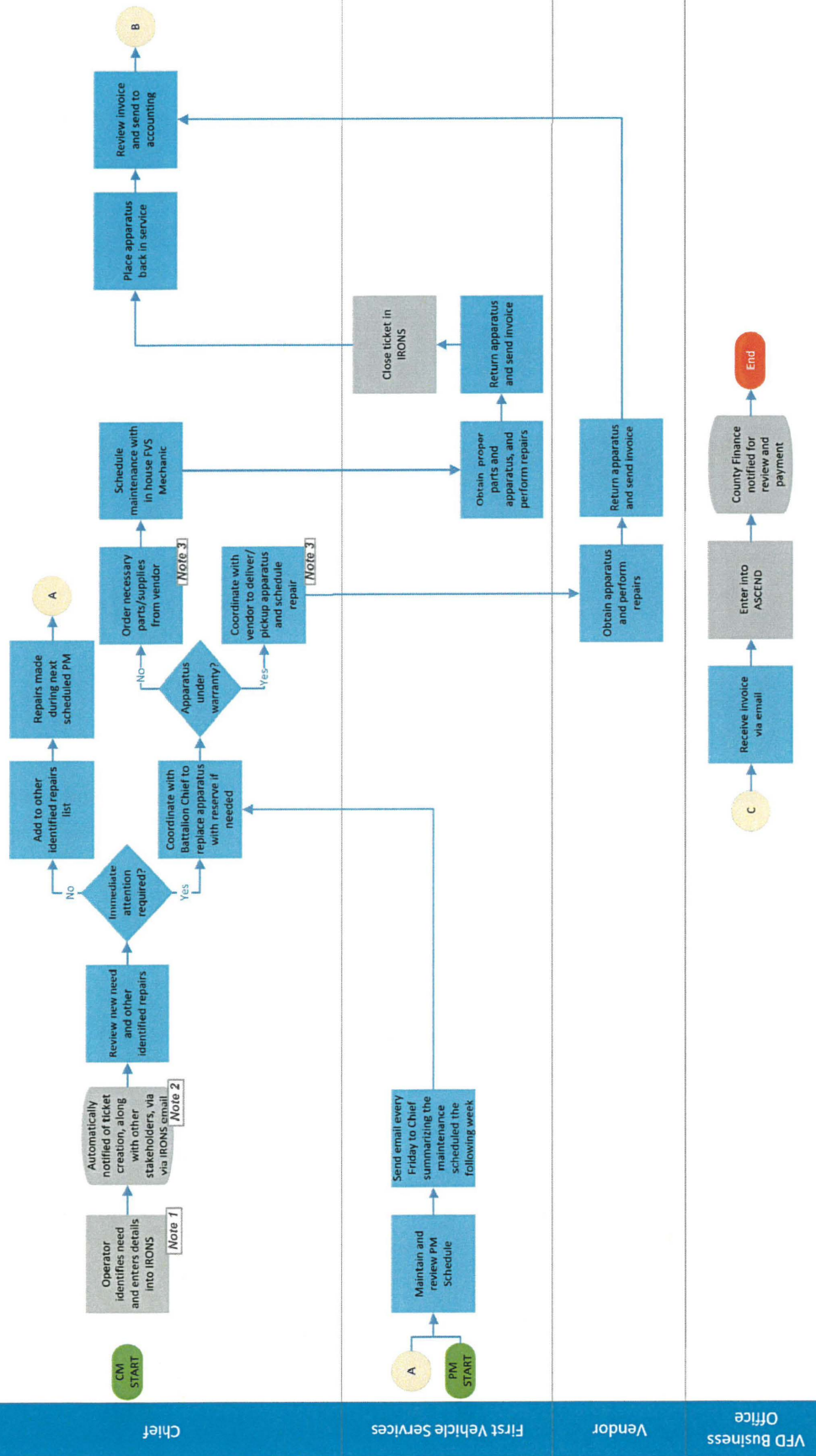
Legend

Manual

Automated

Dale City VFD

Apparatus Maintenance Process



Rice Tire – Tire supplier
FESCO – Supplier of ambulance parts
Williams Emergency – Seagrave Manufacturer

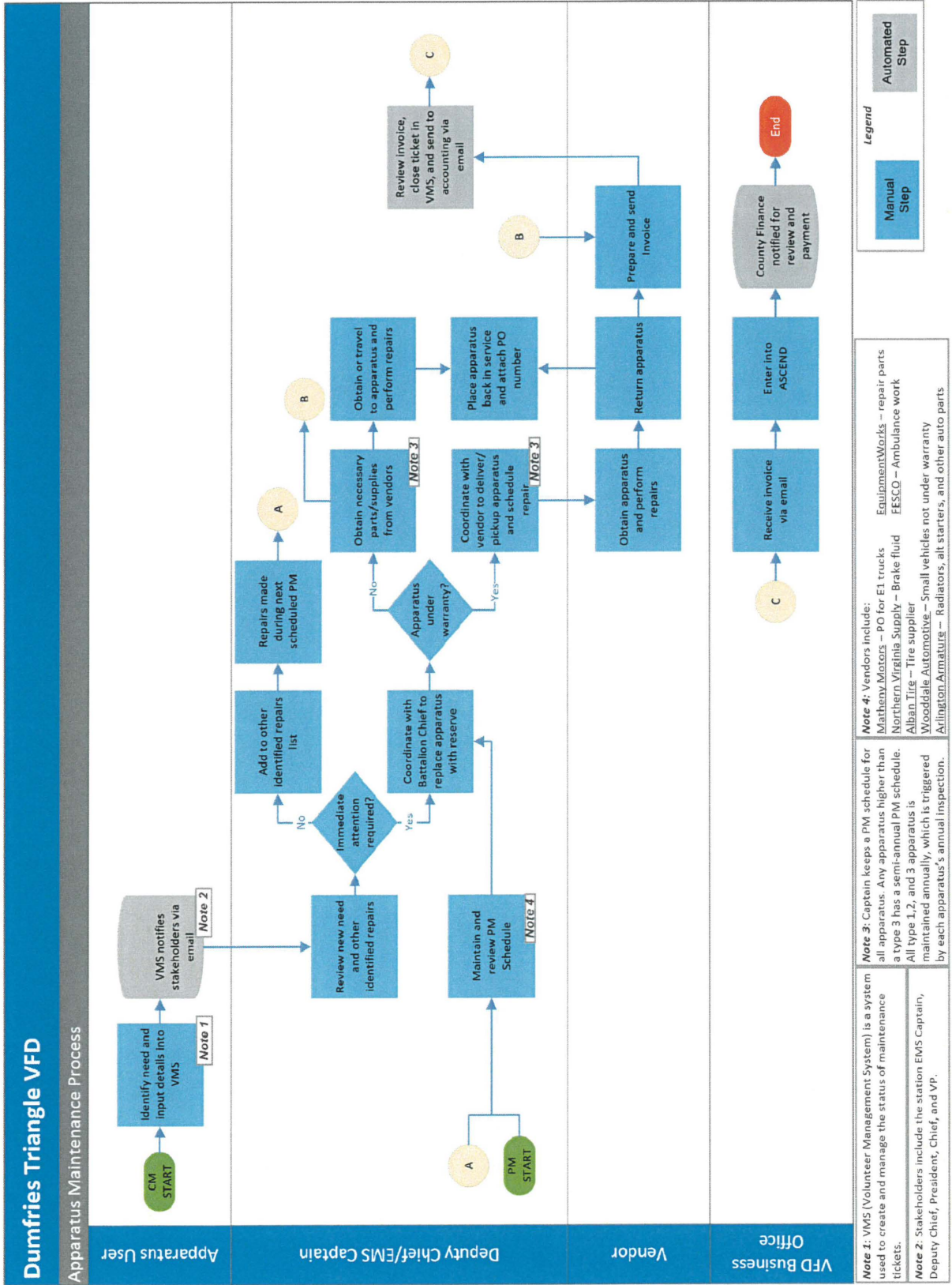
Manual Step

Automated Step

Legend



PROCESS MAPS – CONTINUED

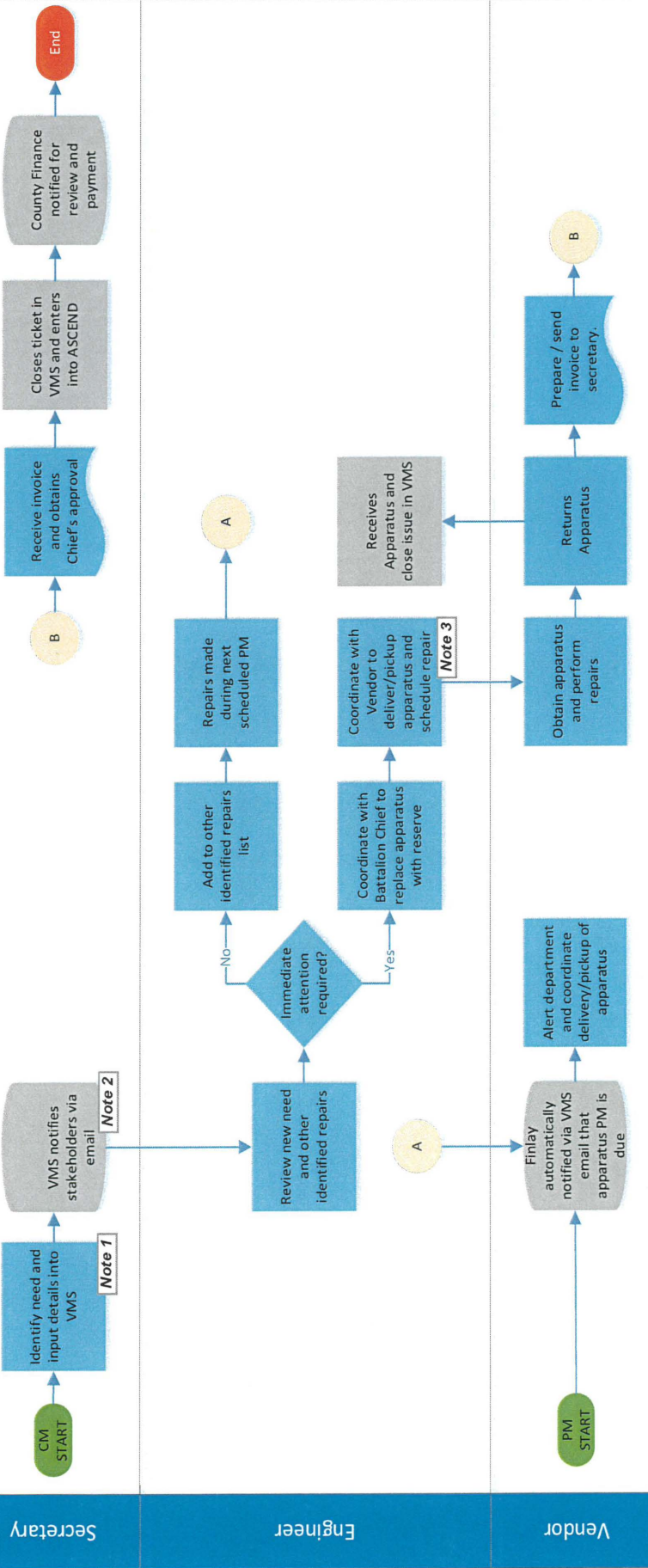




PROCESS MAPS – CONTINUED

Lake Jackson VFD

Apparatus Maintenance Process



Note 1: VMS (Volunteer Management System) is a system used to create and manage the status of maintenance tickets.

Note 2: Stakeholders include the station President, Chief, VP and Finlay Fire.

Note 3: Vendors include:
Finlay Fire – maintenance for most apparatus. If a repair or service needs to be done that Finlay Fire cannot do in house, they handle subcontracting the work out to other vendors.
McCarthy Tire – Tire supplier

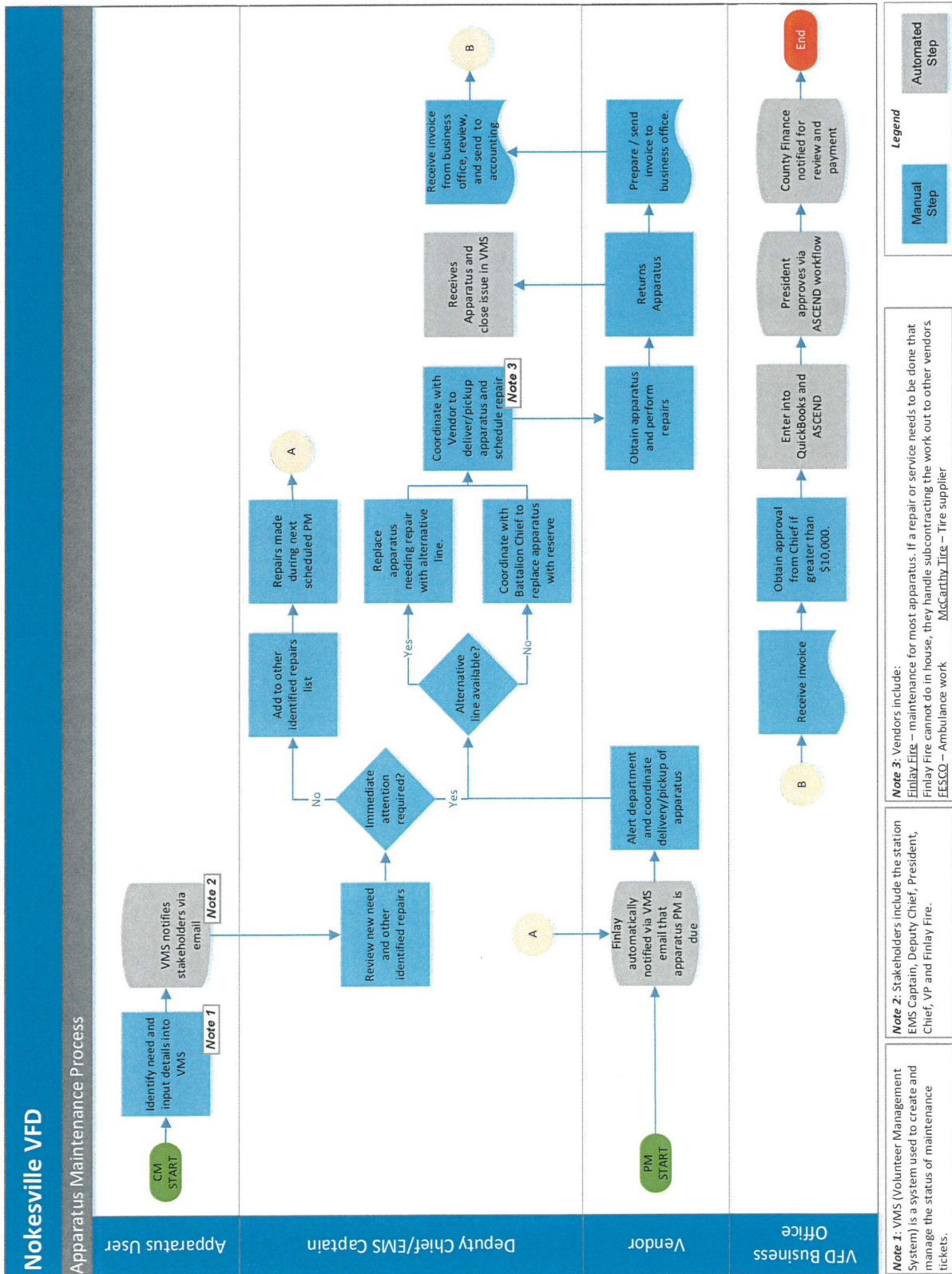
Legend

Manual Step

Automated Step

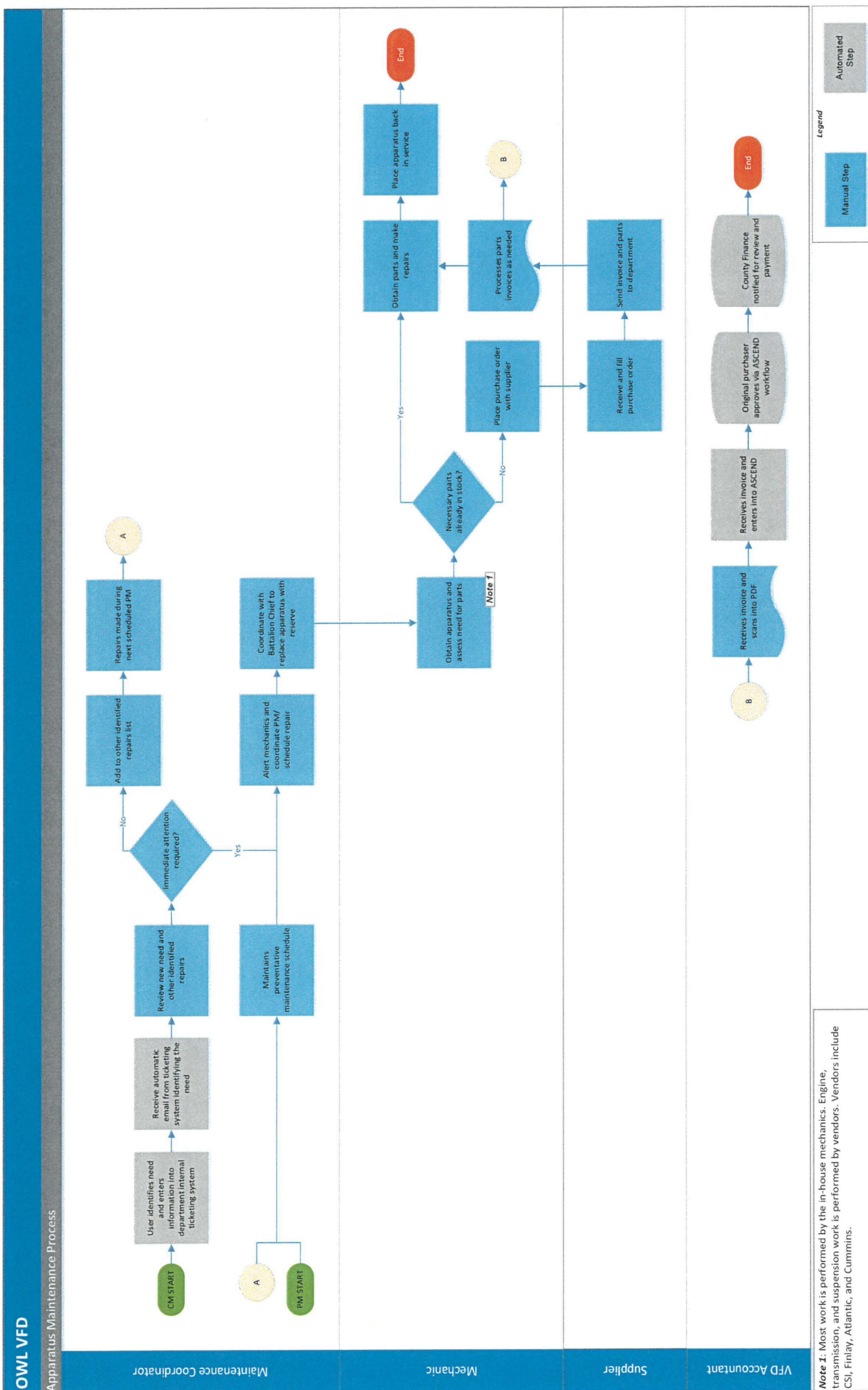


PROCESS MAPS – CONTINUED





PROCESS MAPS – CONTINUED



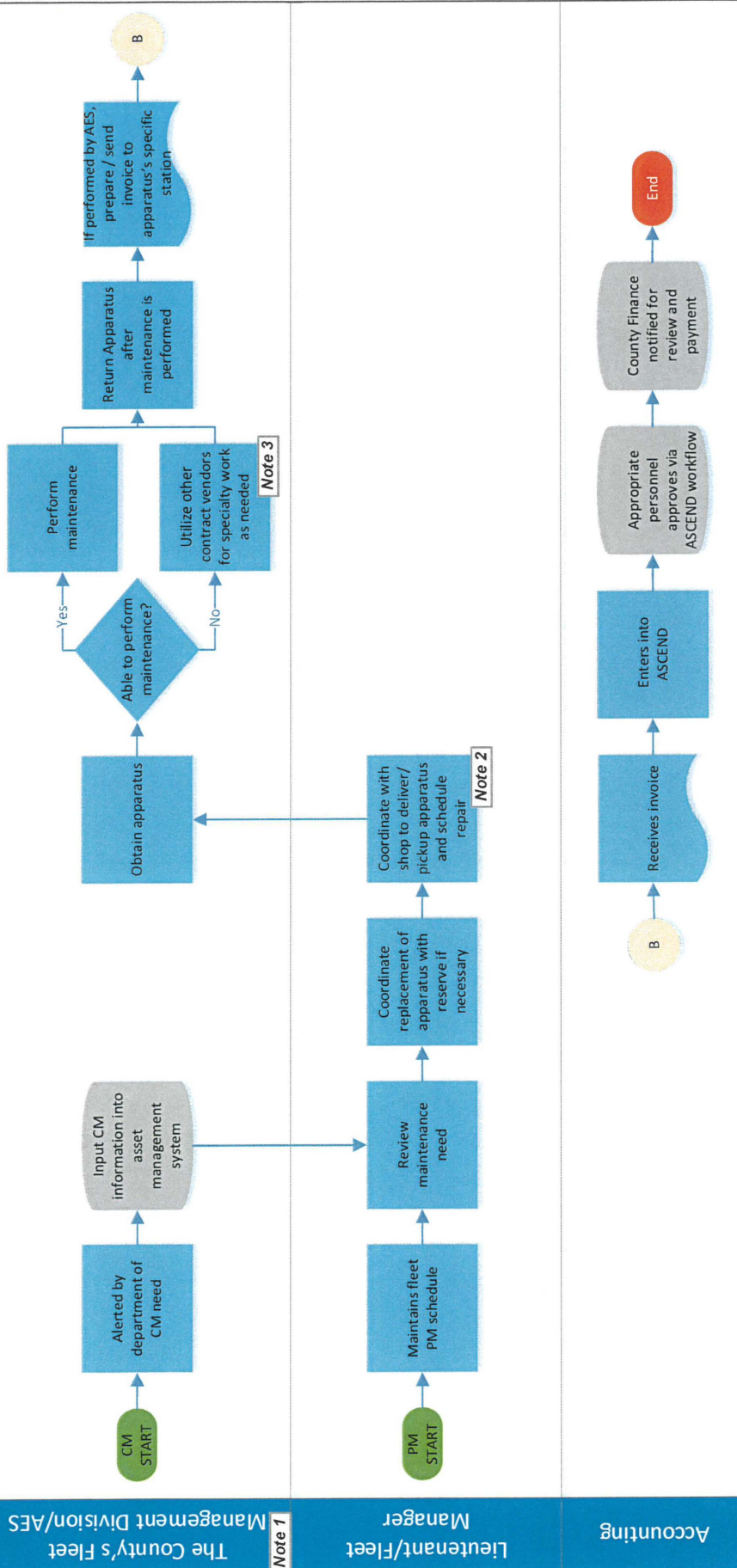


PRINCE WILLIAM COUNTY

PROCESS MAPS – CONTINUED

Prince William County Fire & Rescue Department

Apparatus Maintenance Process



Note 1: The County's Fleet Management Division is responsible for the majority of the preventative maintenance but AES maintains approximately 60 assets.

Note 2: Vendors include:
The County's Fleet Management Division – Preventative maintenance for most apparatus and corrective maintenance
AES – Preventative maintenance and corrective maintenance
McCarthy Tire – Tire supplier

Legend

Manual Step

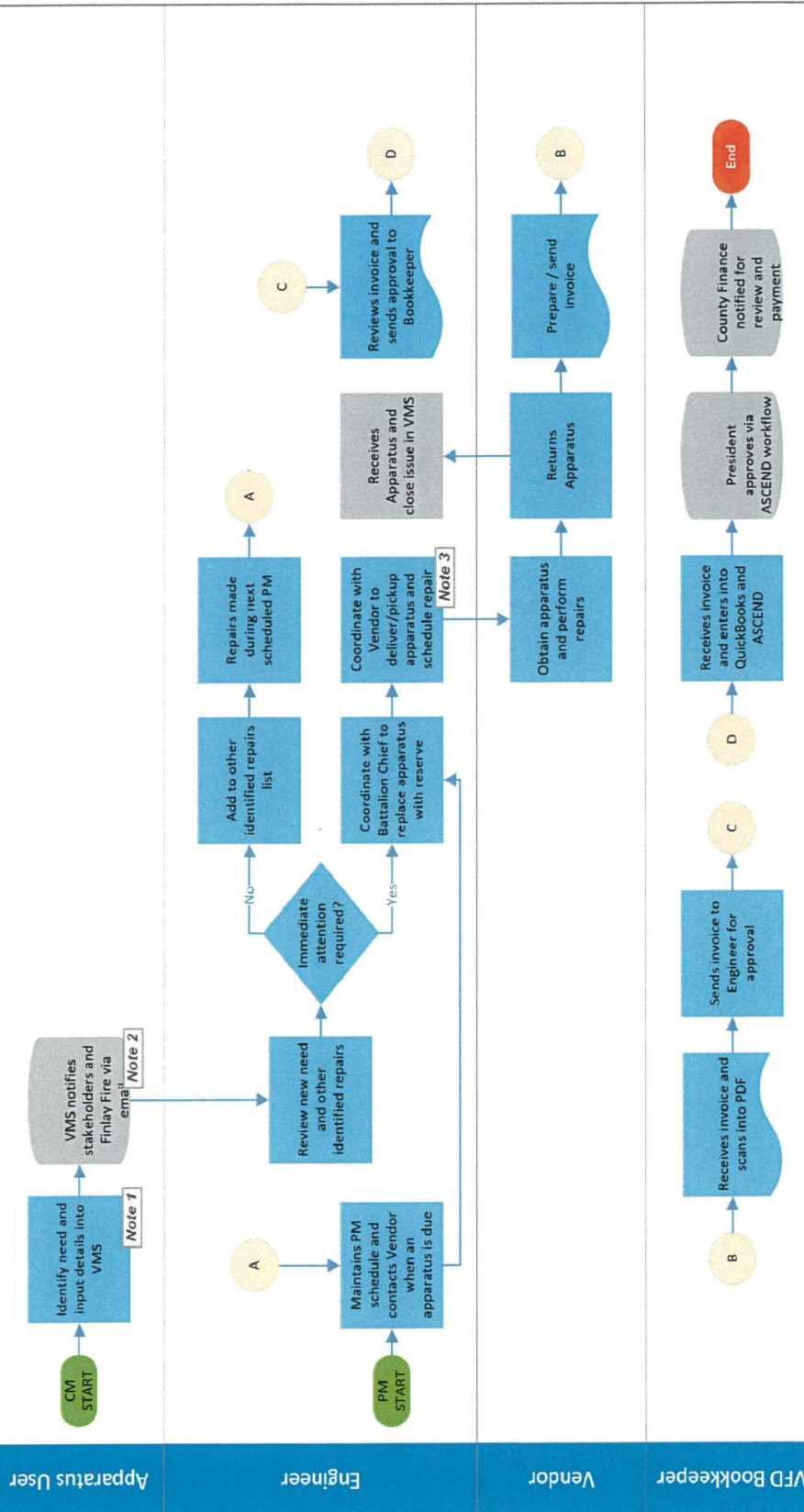
Automated Step



PROCESS MAPS – CONTINUED

Stonewall Jackson VFD

Apparatus Maintenance Process



Legend

Manual Step

Automated Step

Note 1: VMS (Volunteer Management System) is a system used to create and manage the status of maintenance tickets.

Note 2: Stakeholders include the station Engineer, Chief, and President.

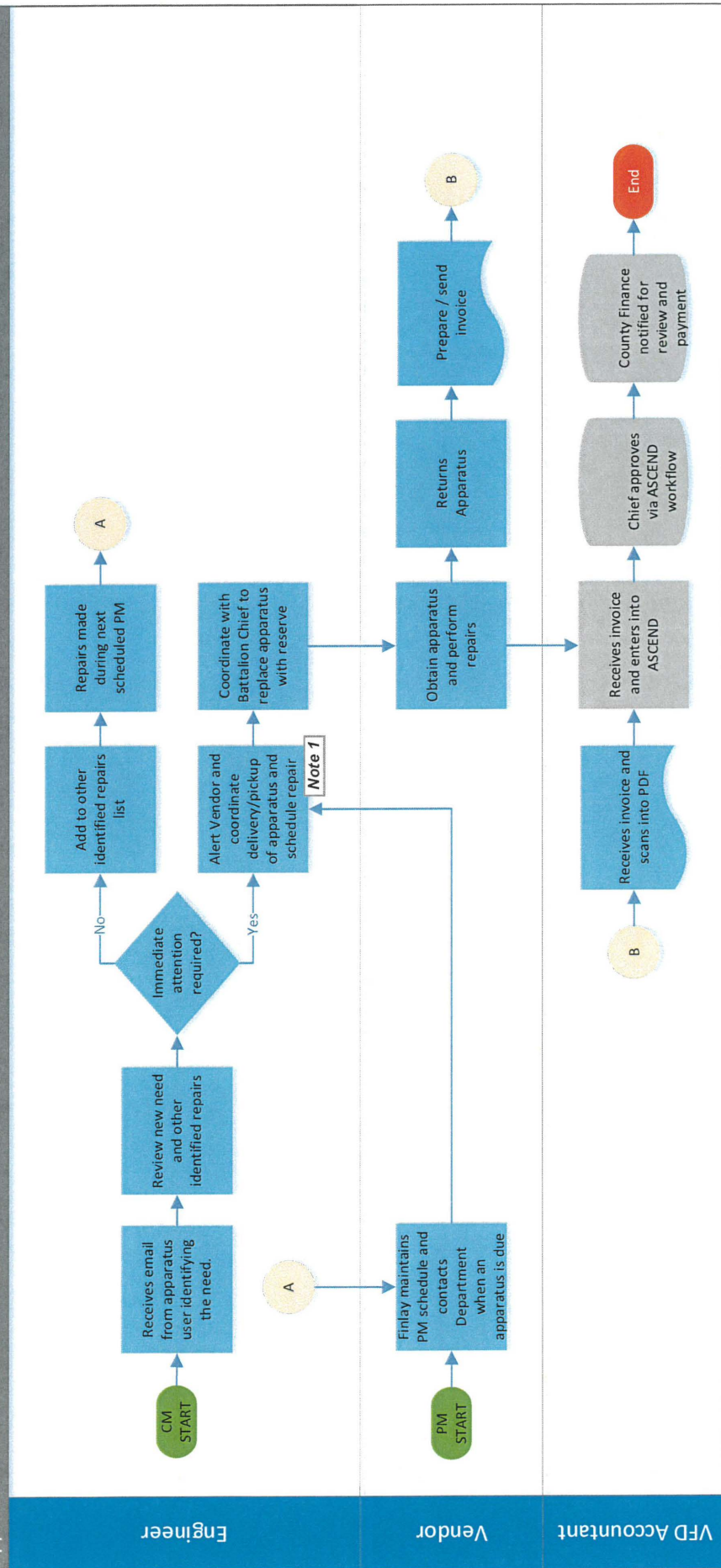
Note 3: Vendors include:
Finlay Fire – maintenance for most apparatus excluding warranty and proprietary manufacturer maintenance
Cowles Ford – Ford Explorer Police Interceptor (through Fairfax county contract)
Atlantic Emergency Solutions (AES) – Pierce warranty and proprietary work
Western Branch Diesel – drivetrain work
Cummins – Cummins brand drivetrain
Excellence Ambulance – Ambulance warranty work
McCarthy Tire – Tire supplier
Rice Tire – Goodyear tire supplier



PROCESS MAPS – CONTINUED

Yorkshire VFD

Apparatus Maintenance Process



Note 1: Vendors include:
Finlay Fire – Maintenance for most apparatus
McCarthy Tire – Tire supplier
NAPPA – Small repairs parts





PRINCE WILLIAM COUNTY

APPENDIX A

Contract Record Retention Requirements

Finlay Fire

Section II: General Provisions - II.10 Examination of Records

The Contractor agrees that the County, or any duly authorized representative, shall, until the expiration of five (5) years after final payment hereunder, have access to and the right to examine and copy any directly pertinent books, documents, papers and records of the Contractor involving transactions related to this Contract.

Attachment A: Scope of Work - Repair Orders

All repair orders shall be per vehicle per repair visit and shall have the following data elements:

- a. Vehicle description, including Unit number, VIN, Model Year, Make and Model, and Mileage;
- b. Description of Complaint;
- c. Description of Cause;
- d. Description of Action; Taken to Repair;
- e. Labor Charge Including Number of Hours and Hourly Rate;
- f. Parts Charges;
- g. Shop Supplies (if applicable); and
- h. HazMat Disposals (if applicable).



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MOTION: FRANKLIN

September 22, 2020

SECOND: ANGRY

Regular Meeting

Res. No. 20-670

RE: APPOINT – KALAI KANDASAMY AND KIMBERLEE J. SHORT – POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION

ACTION: APPROVED

WHEREAS, two vacancies currently exists for Alternate At-Large Representatives to the Potomac and Rappahannock Transportation Commission; and

WHEREAS, the Board of County Supervisors desires to appoint Kalai Kandasamy and Kimberlee J. Short as Alternate At-Large Representatives to the Potomac and Rappahannock Transportation Commission;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby appoints Kalai Kandasamy and Kimberlee J. Short as Alternate At-Large Representatives to the Potomac and Rappahannock Transportation Commission.

<u>NAME</u>	<u>TYPE</u>	<u>REP</u>	<u>TERM</u>
Kalai Kandasamy 6089 Spindle Tree Court Woodbridge, VA 22193	ALT	ATL	12/31/2023
Kimberlee J. Short 18526 Quantico Gateway Drive Triangle, VA 22172	ALT	ATL	12/31/2023

Votes:

Ayes: Angry, Bailey, Boddye, Franklin, Lawson, Vega, Wheeler

Nays: Candland

Absent from Vote: None

Absent from Meeting: None

For Information:

Appointee

Potomac and Rappahannock Transportation Commission (PRTC) Liaison

BCC Manual

ATTEST:



Clerk to the Board

MOTION: BAILEY

**September 22, 2020
Regular Meeting
Res. No. 20-671**

SECOND: ANGRY

**RE: AUTHORIZE \$2,000,000 IN CORONAVIRUS AID, RELIEF AND ECONOMIC
SECURITY ACT FUNDING TO ESTABLISH A CHILDCARE SUPPORT GRANT**

ACTION: APPROVED

WHEREAS, on March 12, 2020, Governor Ralph S. Northam declared a state of emergency in the Commonwealth of Virginia due to Novel Coronavirus (COVID-19), a communicable disease of public health threat; and

WHEREAS, the threat to the public health and safety of the residents of Prince William County from exposure to the Novel Coronavirus (COVID-19) constitutes an emergency, crisis and disaster of such sufficient severity and magnitude to warrant a coordinated response by various County departments, agencies and voluntary organizations; and

WHEREAS, on March 31, 2020, the Prince William Board of County Supervisors ratified and confirmed the actions taken by the County Executive, acting in his capacity as Director of Emergency Management, to declare a local emergency for Prince William County, to perform all of those acts set forth in Section 44-146.21(C) VA Code Ann.; and

WHEREAS, Congress passed, and the President signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, which provides funding for several different programs to address the COVID-19 pandemic, including assistance to state and local governments; and

WHEREAS, the CARES Act created the Coronavirus Relief Fund (CRF) to provide funding to State and local governments to be used only:

- for necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020, (the enactment date of the CARES Act) for the State or government; and
- to cover costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020; and

WHEREAS, allocations were sent to states based on population and the Commonwealth of Virginia received \$3.1 billion as its share of the CRF payment; and

WHEREAS, Virginia allocated \$41,034,915 in Coronavirus Relief Funds to Prince William County and the Towns of Dumfries, Haymarket, Occoquan, and Quantico, which was accepted by the Prince William Board of County Supervisors on May 19, 2020; and

WHEREAS, on July 28, 2020, the County was notified by the Commonwealth of Virginia that the second allocation of CRF Funds were allocated to Virginia municipalities and the County's share, including the Towns of Dumfries, Haymarket, Occoquan and Quantico is another \$41,034,915; and

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WHEREAS, on September 8, 2020, \$5,000,00 was allocated from the CRF Funds to support economic recovery in the community; and

WHEREAS, the COVID-19 shutdown has severely impacted many families in Prince William County through loss of job, reduction in hours worked, new childcare expenses due to remote learning , and teleworking from home without access to childcare for school age children; and

WHEREAS, it is now necessary to assist these families by increasing the supply of childcare; and

WHEREAS, the Industrial Development Authority (IDA) has been created to promote the economic development of Prince William County, Virginia (the "County") pursuant to enabling legislation under Section 15.2-4900 et seq., VA Code Ann.; and

WHEREAS, the IDA has the authority to make grants of money or property for economic development pursuant to Section 15.2-4905, VA Code Ann.; and services;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby authorizes \$2,000,000 in Coronavirus Relief Funds in the CARES Act Special Revenue Fund for the Childcare Support Grant and authorized the County Executive to execute the necessary documents;

BE IT FURTHER RESOLVED that the Prince William Board of County Supervisors hereby authorized the Director of Finance and Chief Finance Officer to sign all necessary certifications and to make any administrative adjustment of the adopted budgets to conform to defined program and internal service fund structures.

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

ATTEST: _____



Clerk to the Board

MOTION: LAWSON

SECOND: BODDYE

RE: ADJOURN MEETING

ACTION: APPROVED

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WHEREAS, the Prince William Board of County Supervisors has completed all items on the agenda for September 22, 2020;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby adjourns the meeting of September 22, 2020 at 8:48 p.m.

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

ATTEST: _____

Andrea P. Madden

Clerk to the Board