

MOTION: FRANKLIN

**April 28, 2020
Regular Meeting
Res. No. 20-327**

SECOND: ANGRY

RE: AUTHORIZE THE SALE OF ONE OR MORE SERIES AT ONE OR MORE TIMES OF GENERAL OBLIGATION PUBLIC IMPROVEMENT REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$640,140,000 FOR DEBT SERVICE SAVINGS

ACTION: APPROVED

WHEREAS, there have been previously issued general obligation bonds of Prince William County, Virginia (the "County"), to provide funds to finance costs of various capital projects for purposes authorized by resolutions of the Prince William Board of County Supervisors (the "Board") and approved at elections held in the County, in accordance with Article VII, Section 10(b) of the Constitution of Virginia and the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia, 1950, as amended; and

WHEREAS, the Board has determined that, subject to favorable financial market conditions, it can achieve acceptable levels of debt service savings by refunding, and therefore it is in the County's best interest to refund, all or a portion of certain outstanding general obligation bonds of the County described herein (the "Refunding Candidates"); and

WHEREAS, the Board desires to issue and sell the County's General Obligation Public Improvement Refunding Bonds, in an amount aggregate not to exceed \$640,140,000, to refund Refunding Candidates (the "Bonds"); and

WHEREAS, there have been presented to this meeting drafts of the following documents which the Board proposes to approve to carry out the offering of the Bonds:

- (a) A Preliminary Official Statement of the County relating to the offering of the Bonds (the "Preliminary Official Statement"), which includes as Appendix D thereto the form of a Continuing Disclosure Agreement relating to ongoing obligations of the County to provide continuing disclosure related to certain financial and operating information (the "Continuing Disclosure Agreement");
- (b) Form of a Bond Purchase Agreement, to be dated the date of the sale of the Bonds (the "Bond Purchase Agreement") between the County and an underwriter or underwriters chosen pursuant to County guidelines and procedures (the "Underwriter") providing for the purchase by the Underwriter of the Bonds on the terms specified therein;
- (c) Form of an Escrow Deposit Agreement, between the County and U.S. Bank National Association, as Escrow Agent, related to the custody, investment and application of the proceeds of the Bonds; and
- (d) Form of the Bonds.

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors:

1. Providing for Issuance of Bonds.

The Board determines that, subject to favorable financial market conditions, it is in the best interests of the County to issue and sell the Bonds to achieve debt service savings by refunding all or any portion of any maturity of any of the following Refunding Candidates:

- (i) \$990,000 General Obligation Refunding Bonds, Series 2004 B;
- (ii) \$15,405,000 General Obligation Public Improvement Bonds, Series 2010A;
- (iii) \$10,670,000 General Obligation Public Improvement Bonds, Series 2010B (Federally Taxable – Build America Bonds);
- (iv) \$9,285,000 General Obligation School Bond, Series 2011A;
- (v) \$20,025,000 General Obligation Public Improvement Bonds, Series 2013;
- (vi) \$12,000,000 General Obligation School Bond, Series 2013A;
- (vii) \$61,895,000 General Obligation School Bond, Series 2014;
- (viii) \$49,440,000 General Obligation Public Improvement Bonds, Series 2015;
- (ix) \$78,785,000 General Obligation School Bond, Series 2015;
- (x) \$102,175,000 General Obligation School Bond, Series 2016;
- (xi) \$66,005,000 General Obligation School Bond, Series 2017;
- (xii) \$104,310,000 General Obligation School Bond, Series 2018; and
- (xiii) \$109,155,000 General Obligation School Bond, Series 2019A.

The Bonds may be issued in one or more series at one or more times as tax-exempt bonds or taxable bonds, but no such Bonds shall be issued later than December 31, 2020. The Board authorizes the issuance and sale of the Bonds pursuant to the following terms and conditions: (a) the aggregate principal amount of the Bonds shall not exceed \$640,140,000 (exclusive of original issue premium, if any); (b) the final maturity of the Bonds shall not extend more than 12 months beyond the final maturity of the Refunding Candidates actually refunded (the "Refunded Bonds"); (c) the first interest payment date of each series of Bonds shall be not more than ten (10) months after the dated date of such series of Bonds and (d) the issuance of each series of such Bonds will achieve at least 3% aggregate present value debt service savings relative to the par amount of the related Refunded Bonds, as determined by the County's Financial Advisor.

2. Determination of Details of Bonds.

The Board authorizes and directs the County Executive, a Deputy County Executive or the Director of Finance, any one of whom is hereby authorized to act, subject to the limitations set forth in this Resolution, (a) to determine and approve all of the final details of the Bonds including, without limitation, the number of series of Bonds and, with respect to each such series, the designation of

such Bonds, including whether such bonds are tax-exempt or taxable, the aggregate principal amount, the dated date of the Bonds, the maturity schedule, the interest rates, whether the Bonds

April 28, 2020
Regular Meeting
Res. No. 20-327
Page Three

shall be issued as serial bonds, term bonds or a combination of both, the payment dates and the redemption provisions pursuant to the terms of paragraph 15 hereof, the sale date, the sale price, the prices at which the Bonds are to be reoffered by the underwriter(s) thereof and which if any Refunding Candidates shall be refunded by the Bonds; provided however, that the present value debt service savings, as determined by the County's Financial Advisor, to be obtained from the refunding of the Refunded Bonds with the proceeds of each series of Bonds is not less than 3% of the principal amount of the related Refunded Bonds; (b) to approve the final form of all documents that are appropriate to carry out the contemplated financings; (c) to determine the date or dates, if any, on which each series Bonds shall be subject to redemption in accordance with paragraph 15 hereof and (d) to take all such further action as may be necessary or desirable for the issuance and sale of each series of the Bonds.

Bonds authorized to be issued under this Resolution may be issued in one or more series and on one or more dates on any date up to December 31, 2020. The Bonds to be issued may be sold in a competitive sale pursuant to bids received electronically via the PARITY Competitive Bidding System or similar electronic based competitive bidding system or may be sold through a negotiated sale to one or more underwriters chosen in compliance with County guidelines and regulations. The County Executive, a Deputy County Executive or the Director of Finance, any one of whom is hereby authorized to act subject to the limitations set forth in this Resolution, may determine to sell any or all Bonds through a competitive sale process or a negotiated sale. The authorization and approvals of the documents set forth in this Resolution (as long as the documents used in such sale are in the form approved herein) shall apply to each bond sale.

3. Official Statement.

The Board approves the form of the Preliminary Official Statement, attached hereto as **ATTACHMENT A** presented to this meeting. The Board authorizes and directs its staff to cause the distribution and use of the Preliminary Official Statement by the Underwriter in a negotiated sale or circulation to potential bidders in a competitive sale in substantially the form submitted to this meeting, with such additions, omissions, insertions and changes as may be approved by the County Executive, a Deputy County Executive or the Director of Finance, 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 Underwriter's offer in a negotiated sale to purchase the Bonds is accepted or a bid of the successful bidder in a competitive sale is accepted, the Board authorizes the County Executive, a Deputy County Executive or the Director of Finance to complete the Preliminary Official Statement as an official statement in final form (the "Official Statement"), to execute the Official Statement and to cause the delivery of the Official Statement to the Underwriter. The Official Statement shall be in substantially the form of the Preliminary Official Statement as "deemed final," with such further additions, omissions, insertions and changes as may be necessary or desirable and which reflect the terms of the Bonds, all as shall be approved by the County Executive, a Deputy County

Executive or Director of Finance. The County's approval of all additions, omissions, insertions and changes to the Official Statement shall be evidenced conclusively by the execution and delivery thereof.

4. Bond Purchase Agreement.

The Board approves the form of the Bond Purchase Agreement, attached hereto as **ATTACHMENT B** presented to this meeting, and if the offer of the Underwriter to purchase any Bonds in a negotiated sale is to be accepted, the Chair or Vice Chair of the Board, the County Executive, a Deputy County Executive or the Director of Finance, any one of whom is hereby authorized to act, is hereby authorized and directed to execute and deliver, in the name of and on behalf of the County, the Bond Purchase Agreement in substantially such form, with such additions and modifications, including those necessary to reflect the specifics determined in accordance with paragraphs 1 and 2 hereof, as shall be approved by such person executing the Bond Purchase Agreement, such execution being conclusive evidence of such approval.

5. Notice of Sale; Bids.

If any Bonds are determined to be sold in a competitive sale, the Board authorizes and directs the County Executive, a Deputy County Executive or the Director of Finance, any one of whom is hereby authorized to act, to cause the distribution of a Notice of Sale to potential bidders for the Bonds. Such Notice of Sale shall only be distributed if such notice does not contain any terms contradictory to the terms of this Resolution. The approval of the County Executive, a Deputy County Executive or Director of Finance shall be evidenced conclusively by the distribution of the Notice of Sale to potential bidders.

6. Escrow Deposit Agreement.

The Board approves the form of the Escrow Deposit Agreement, attached hereto as **ATTACHMENT C** presented to this meeting, and the Chair or Vice-Chair of the Board, the County Executive, a Deputy County Executive or the Director of Finance any one of whom is hereby authorized to act, is hereby authorized and directed to execute and deliver, in the name of and on behalf of the County, one or more Escrow Deposit Agreements in substantially such form, with such additions and modifications as shall be approved by such person executing such Escrow Deposit Agreement, such execution being conclusive evidence of such approval.

7. Pledge of Full Faith and Credit.

The full faith and credit of the County are irrevocably pledged for the payment of principal of and interest on the Bonds. Unless other funds are lawfully available and appropriated for timely payment of the Bonds for each year any of the Bonds are outstanding, the Board shall levy and collect an annual *ad valorem* tax, over and above all other taxes authorized or limited by law and without limitation or amount, sufficient to pay when due the principal of and redemption

premium, if any, and interest on the Bonds as such principal, redemption premium and interest shall become due.

8. Securities Depository.

- (a) Initially, one Bond certificate for each maturity of the Bonds shall be issued and registered to The Depository Trust Company, New York, New York ("DTC"), or its nominee. "Securities Depository" shall mean DTC or any other securities depository for the Bonds appointed pursuant to this paragraph.
- (b) In the event that (i) the Securities Depository determines not to continue to act as the securities depository for the Bonds by giving notice to the Registrar (defined below), and the County or a designee discharges the Securities Depository's responsibilities hereunder, or (ii) the County in its sole discretion determines (A) that beneficial owners of Bonds shall be able to obtain certificated Bonds or (B) to select a new Securities Depository, then the County Executive, a Deputy County Executive or the Director of Finance, any one of whom is hereby authorized to act, shall, at the direction of the Board, attempt to locate another qualified securities depository to serve as Securities Depository or provide for the authentication and delivery of certificated Bonds to the beneficial owners or to the Securities Depository participants on behalf of beneficial owners substantially in the form provided for in accordance with paragraph 10 hereof, as may be modified to reflect the certificated form of the Bonds. In delivering certificated Bonds, the County Executive, a Deputy County Executive or the Director of Finance shall be entitled to rely on the records of the Securities Depository as to the beneficial owners or the records of the Securities Depository participants acting on behalf of beneficial owners. Such certificated Bonds will then be registrable, transferable and exchangeable as set forth in paragraph 9 hereof.
- (c) So long as there is a Securities Depository for the Bonds (i) it or its nominee shall be the registered owner of the Bonds, (ii) notwithstanding anything to the contrary in this resolution, determinations of persons entitled to payment of principal and interest, transfers of ownership and exchanges and receipt of notices shall be the responsibility of the Securities Depository and shall be effected pursuant to rules and procedures established by such Securities Depository, (iii) the Registrar and the County shall not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants, (iv) references in this resolution to registered owners of the Bonds shall mean such Securities Depository or its nominee and shall not mean the beneficial owners of the Bonds, and (v) in the event of any inconsistency between the provisions of this resolution and the provisions of the County's Blanket Issuer Letter of Representations to DTC, the provisions of such

Letter of Representations, except to the extent set forth in this paragraph, shall control.

9. Registration, Transfer and Owners of Bonds.

- (a) The Board appoints U.S. Bank National Association, as paying agent and registrar for the Bonds (the "Registrar"). The Registrar shall maintain registration books for the registration and exchange of Bonds. Upon surrender of any Bond at the corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the County shall execute, and the Registrar shall authenticate and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same series, form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner or his duly authorized attorney or legal representative. Any such exchange shall be at the expense of the County, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.
- (b) The Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made by the Registrar to the person shown as owner on the registration books on the 15th day of the month preceding each interest payment date.

10. Preparation and Delivery of Bonds.

The Chair or the Vice-Chair and the Clerk or the Deputy Clerk to the Board are authorized and directed to take all proper steps to have the Bonds prepared and executed, in substantially the forms set forth in **ATTACHMENT D**, with changes as necessary to reflect the details of the Bonds determined in accordance with paragraph 2 hereof. The County Executive, a Deputy County Executive or the Director of Finance is authorized and directed to cause the delivery of the Bonds to or on behalf of the Underwriter, as purchaser thereof, upon payment therefor.

11. Execution and Authentication.

The Bonds shall be signed by the manual or facsimile signature of the Chair or the Vice-Chair of the Board, shall be countersigned by the manual or facsimile signature of the Clerk or the Deputy Clerk to the Board, and the County's seal shall be affixed thereto or a facsimile shall be printed thereon. No Bond signed by facsimile signatures shall be valid until it has been authenticated by the manual signature of an authorized officer or employee of the Registrar and the date of authentication noted thereon.

12. Tax Covenants.

The County covenants to take all action, and to refrain from taking any action, necessary under the Internal Revenue Code of 1986, as amended (the "Code"), to ensure that interest on any Bonds issued as tax-exempt bonds (the "Tax-Exempt Bonds") will remain not includable in gross income for federal income tax purposes to the same extent as it is not includable on the date of closing on any Tax-Exempt Bonds. In furtherance of this covenant, the County agrees to comply with such written instructions as may be provided by the County's bond counsel.

(a) **Arbitrage Covenants.**

The County covenants that it shall not take or omit to take any action the taking or omission of which will cause the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, or otherwise cause interest on any Tax-Exempt Bonds to be includable in the gross income for federal income tax purposes of the registered owners thereof under existing laws. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Tax-Exempt Bonds, unless the County receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on any Tax-Exempt Bonds from being includable in the gross income of the registered owners thereof under existing law. The County shall pay any such required rebate from its legally available funds.

(b) **Private Activity Bond Covenants.**

The County covenants that it shall not take any action, or omit to take any action, with respect to the use of the proceeds of the Tax-Exempt Bonds or the facilities financed or refinanced with the proceeds of the Tax-Exempt Bonds the taking or omission of which would result in (a) 5% or more of such proceeds or the facilities financed with such proceeds being used in a trade or business carried on by any person other than a state or local governmental unit, as provided in Section 141(b) of the Code, (b) the lesser of 5% of such proceeds and \$5,000,000 being used directly or indirectly to make or finance loans to any persons other than a state or local governmental unit, as provided in Section 141(c) of the Code; or (c) otherwise cause the Tax-Exempt Bonds to be "private activity bonds" within the meaning of Section 141(a) of the Code; provided, however, that if the County receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on any Tax-Exempt Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the County need not comply with such covenant.

13. Tax Certificate and Elections.

A Deputy County Executive or the Director of Finance and such other officers of the County as may be requested 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.

14. Continuing Disclosure.

The Board approves the form of the Continuing Disclosure Agreement in substantially the form attached to the Preliminary Official Statement presented to this meeting with such completions, omissions, insertions and changes as may be approved by the County Executive, a Deputy County Executive or the Director of Finance 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 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 ending June 30, 2020, in a timely manner, and to EMMA notices of certain events with respect to the Bonds, including (a) notices of certain events set forth in Rule 15c2-12 with respect to the Bonds; and (b) notice of any failure to provide such required information.

15. Redemption Provisions.

- (a) *Optional redemption.* The Board delegates to the County Executive, a Deputy County Executive or the Director of Finance, any one of whom is hereby authorized to act, the authority, subject to the limitations contained herein, to determine the optional redemption provisions of any Bonds. The first optional call date for any Tax-Exempt Bonds must be no earlier than 5 years and no later than 10.5 years after the date of issue of such Bonds. The maximum redemption price for such Tax-Exempt Bonds may not exceed 102% of the principal amount of the bonds to be redeemed. Bonds of a different series may contain different optional redemption provisions, including, but not limited to, make-whole provisions for Bonds issued as taxable bonds. The Bonds that are subject to optional redemption may be redeemed, at the option of the County, before their respective maturities on any date not earlier than the optional redemption date, determined as set forth above, in whole or in part, upon payment of the redemption price, determined as set forth above, plus accrued interest to the redemption date. The County Executive, a Deputy County Executive or the Director of Finance, any one of whom

is hereby authorized to act, may determine that all or any of the Bonds shall not be subject to optional redemption prior to their maturity.

- (b) *Mandatory redemption.* The term Bonds, if any, of any series shall be called for redemption, in part, in the principal amounts equal to the respective amortization requirements for the term Bonds of such series (less the principal amount of any term bond of this series retired by purchase or optional redemption) at a price of par plus accrued interest thereon to the date fixed for redemption on a date specified pursuant to the delegation of authority contained in this resolution, preceding their maturity for which there is an amortization requirement.

In the event of a partial optional redemption or purchase of any such term Bonds, the County will credit the principal amount of such term Bonds so purchased or redeemed against the amortization requirements for the remaining term Bonds outstanding in such amount and in such years as it in its sole discretion shall determine.

- (c) *General Redemption Provisions.* If less than all of the Bonds of any one maturity of a series shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by the County in such manner as the County in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, the County shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such bond by \$5,000.

If Bonds are not registered in book-entry only form, except if the Director of Finance determines market conditions dictate otherwise, any redemption of less than all of a maturity of the Bonds of a series shall be allocated among the registered owners of such Bonds as nearly as practicable in proportion to the principal amounts of Bonds of such series owned by each registered owner, subject to the authorized denominations applicable to such Bonds. This will be calculated based on the following formula:

$$\frac{(\text{principal to be redeemed}) \times (\text{principal amount owned by owner})}{(\text{principal amount outstanding})}$$

If Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the Bonds, partial redemptions will be done in accordance with DTC procedures. It is the County's intent that redemption allocations made by DTC, the DTC participants or such other intermediaries that may exist between the County and the beneficial owners be made in accordance with these same proportional provisions set forth above.

April 28, 2020
Regular Meeting
Res. No. 20-327
Page Ten

However, the County can provide no assurance that DTC, the DTC participants or any other intermediaries will allocate redemptions among beneficial owners on such a proportional basis.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the County shall cause a notice of such redemption to be filed with the Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part at his address appearing upon the registration books of the County, but failure to mail such notice or any defect therein shall not affect the validity of the redemption. Each such notice shall set forth the date designated for redemption, the redemption price to be paid, the maturities of the Bonds to be redeemed and, if less than all of the Bonds of any one maturity of a Series then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed and, in the case of any bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such bond, a new Bond or Bonds of such Series in principal amount equal to the unredeemed portion of such bond will be issued.

Any notice of optional redemption of the Bonds may state that it is conditioned upon there being available 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 the County, the corresponding notice of redemption shall be deemed to be revoked.

If the County gives an unconditional notice of redemption, then on the redemption date the Bonds called for redemption will become due and payable. If the County gives a conditional notice of redemption, and the amount of money to pay the redemption price of the affected Bonds shall have been set aside with the Registrar or a depository (either, a "depository") for the purpose of paying such Bonds, then on the redemption date the Bonds will become due and payable. In either case, if on the redemption date the County holds money to pay the Bonds called for redemption, thereafter no interest will accrue on those Bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those Bonds.

The County shall give notice as contemplated by Securities Exchange Act of 1934 Release No. 34-23856, dated December 3, 1986, including the requirement that notice be given to all organizations registered with the Securities and Exchange Commission as securities depositories, and to one or more information services of national recognition that disseminate redemption information with respect to municipal securities.

On or before the date fixed for redemption, moneys shall be deposited with the Registrar to pay the principal of and the redemption premium, if any, on the Bonds or portions thereof called for redemption as well as the interest accruing thereon to the redemption date thereof.

**April 28, 2020
Regular Meeting
Res. No. 20-327
Page Eleven**

If a portion of a Bond shall be called for redemption, the registered owner thereof or his attorney or legal representative shall present and surrender such Bond to the Registrar for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount, and the Registrar shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same series and maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

Notwithstanding the foregoing provisions, the County Executive, a Deputy County Executive or the Director of Finance may determine that Bonds shall be redeemed on a pro rata or other basis.

16. Certificate Concerning Delegation.

The County Executive, a Deputy County Executive or the Director of Finance, any one of whom is hereby authorized to act, shall execute a Certificate or Certificates evidencing determinations or other actions taken pursuant to the authority granted in this resolution, and any such Certificate shall be conclusive evidence of the action or determination of such County Executive, Deputy County Executive or Director of Finance as stated therein. The delegations of authority in this resolution to the County Executive, a Deputy County Executive and the Director of Finance are to each of them severally, and any action taken by either the County Executive, a Deputy County Executive or the Director of Finance pursuant to such delegations of authority is sufficient for all purposes of this resolution.

17. Other Actions.

All other actions of officers and staff of the County in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Bonds are ratified, approved and confirmed. The officers of the County are authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the issuance, sale and delivery of the Bonds.

The County Executive, any Deputy County Executive and the Director of Finance are hereby authorized and directed to comply with all requirements of the Virginia Public School Authority ("VPSA") in connection with the refunding of one or more of the outstanding principal installments of the portion of the Refunded Bonds that are school bonds issued to VPSA (the "Refunded School Bonds"), including, without limitation, arranging for the deposit of the proceeds of the Bonds allocable to the refunding of one or more of the outstanding principal installments of the Refunded School Bonds with a trustee or escrow agent designated by the VPSA.

18. Repeal of Conflicting Resolutions.

All resolutions or parts thereof in conflict herewith are repealed.

19. Filing of Resolution.

The Clerk to the Board, in collaboration with the County Attorney, is authorized and directed to provide for the immediate filing of a certified copy of this resolution in the Circuit Court of the County.

20. Effective Date.

This resolution shall take effect immediately.

- ATTACHMENTS:
- A. Preliminary Official Statement, including form of Continuing Disclosure Agreement
 - B. Form of Bond Purchase Agreement
 - C. Form of Escrow Deposit Agreement
 - D. Form of Bonds

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

NEW ISSUE/BOOK-ENTRY ONLY

RATINGS: Fitch: “ ”
Moody’s: “ ”
S&P: “ ”

In the opinion of Bond Counsel, under current law and assuming continuing compliance with certain tax covenants and requirements of the Internal Revenue Code of 1986, as amended (the “Code”), as described herein, interest on the Series 2020[] Bonds will not be includable in the gross income of the owners thereof for federal income tax purposes. Under existing law, the interest on the Series 2020[] Bonds is excluded from Virginia taxable income for purposes of the individual income tax and the income taxation of corporations by the Commonwealth of Virginia under Sections 58.1-322 and 58.1-402 of the Code of Virginia of 1950, as amended, to the extent that such interest is excludable from gross income for federal income tax purposes. See “TAX MATTERS – SERIES 2020[] BONDS” herein for further information. Under current law, interest on the Series 2020[] Bonds will be includable gross income of the owners thereof for federal income tax purposes. See “TAX MATTERS – SERIES 2020[] BONDS” herein for further information.

\$ _____
*
Prince William County, Virginia
General Obligation Public Improvement Refunding Bonds, Series 2020[]

and

\$ _____
Prince William County, Virginia
[Taxable] General Obligation Public Improvement Refunding Bonds, Series 2020[]

Dated: Date of Delivery

Due: August 1, as shown on the inside cover page

The General Obligation Public Improvement Bonds, Series 2020[] (the “Series 2020[] Bonds”), and the [Taxable] General Obligation Public Improvement Refunding Bonds, 2020[] (the “Series 2020[] Bonds” and together with the Series 2020[] Bonds, the “Bonds”) are general obligations of Prince William County (the “County”), Virginia. Subject to favorable market conditions, the Bonds are being issued to refund certain outstanding bonds of the County.

The Prince William Board of County Supervisors is authorized and required, unless other funds are lawfully available and appropriated for timely payment of the Bonds, to levy and collect annually on all locally taxable property in the County an *ad valorem* tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of, and interest on the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

The Bonds will be issued in fully registered form, in denominations of \$5,000 and integral multiples thereof, and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds. Individual purchases of beneficial ownership interests in the Bonds will be made in book-entry form only, and individual purchasers will not receive physical delivery of bond certificates.

The Bonds will bear interest from their date of delivery, payable on each February 1 and August 1, commencing August 1, 2020. Payments of principal of and interest on the Bonds will be made by U.S. Bank National Association, as paying agent and registrar, by wire transfer to Cede & Co., for disbursement to DTC participants to be disbursed subsequently to the beneficial owners of Bonds, as described in “DESCRIPTION OF THE BONDS.” The Bonds are subject to redemption prior to maturity as described in the section “DESCRIPTION OF THE BONDS.”

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered for delivery when, as, and if issued, subject to the approving opinion of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel. Certain legal matters also will be passed upon for the County by the County Attorney, Michelle R. Robl, Esquire, and for the Underwriters of the Series 2020[] Bonds by _____, _____. The Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about May __, 2020.

March __, 2020

*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. The Bonds may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRINCE WILLIAM COUNTY, VIRGINIA

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES/YIELDS*

Base CUSIP† Number [741751]

**\$ _____ * GENERAL OBLIGATION PUBLIC IMPROVEMENT
 REFUNDING BONDS SERIES 2020[]**

| <u>Maturity Date</u> <u>August 1</u> | <u>Principal</u> <u>Amount</u> | <u>Interest</u> <u>Rate</u> | <u>Priced to</u> <u>Yield</u> | <u>CUSIP†</u> <u>Suffix</u> |
|---|-----------------------------------|--------------------------------|----------------------------------|--------------------------------|
| | \$ | % | % | |
| 2020 | | | | |
| 2021 | | | | |
| 2022 | | | | |
| 2023 | | | | |
| 2024 | | | | |
| 2025 | | | | |
| 2026 | | | | |
| 2027 | | | | |
| 2028 | | | | |
| 2029 | | | | |
| 2030 | | | | |
| 2031 | | | | |
| 2032 | | | | |
| 2033 | | | | |
| 2034 | | | | |
| 2035 | | | | |
| 2036 | | | | |
| 2037 | | | | |

† 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 Prince William County, Virginia, does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to change after the issuance of the Bonds.

*Preliminary, subject to change.

PRINCE WILLIAM COUNTY, VIRGINIA

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES/YIELDS*

Base CUSIP† Number [741751]

**\$ _____ * [TAXABLE] GENERAL OBLIGATION PUBLIC IMPROVEMENT
 REFUNDING BONDS SERIES 2020[]**

| <u>Maturity Date</u> <u>August 1</u> | <u>Principal</u> <u>Amount</u> | <u>Interest</u> <u>Rate</u> | <u>Price</u> <u>Price</u> | <u>CUSIP†</u> <u>Suffix</u> |
|---|-----------------------------------|--------------------------------|------------------------------|--------------------------------|
| 2020 | \$ | % | % | |
| 2021 | | | | |
| 2022 | | | | |
| 2023 | | | | |
| 2024 | | | | |
| 2025 | | | | |
| 2026 | | | | |
| 2027 | | | | |
| 2028 | | | | |
| 2029 | | | | |
| 2030 | | | | |
| 2031 | | | | |
| 2032 | | | | |
| 2033 | | | | |
| 2034 | | | | |
| 2035 | | | | |
| 2036 | | | | |
| 2037 | | | | |

† 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 Prince William County, Virginia, does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to change after the issuance of the Bonds.

*Preliminary, subject to change.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is not lawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or owners of any the Bonds. An electronic reproduction of this Official Statement may contain computer generated errors or other deviations from the printed Official Statement, in which case the printed Official Statement controls.

The electronic distribution of this Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Bonds described herein to the residents of any particular jurisdiction and is not specifically directed to the residents of any particular jurisdiction. The Bonds shall not be offered or sold in any jurisdiction unless and until they are either registered pursuant to the laws of such jurisdiction or qualified pursuant to an appropriate exemption from registration in such jurisdiction.

NEITHER THE BONDS NOR THE RESOLUTION (AS DEFINED HEREIN) HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(A)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED, AND SECTION 304(A)(4) OF THE TRUST INDENTURE ACT OF 1939, AS AMENDED. THE REGISTRATION OR QUALIFICATION OF THE BONDS AND THE RESOLUTION IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE JURISDICTIONS IN WHICH THE BONDS AND THE RESOLUTION HAVE BEEN REGISTERED OR QUALIFIED, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER JURISDICTIONS, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

All quotations from and summaries and explanations of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds shall under any circumstances create any implication that there has been no change in the affairs of the County since the date hereof.

Forward-looking statements. Certain statements contained in this Official Statement that are not historical facts are forward looking statements, which are based on 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.

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

CERTAIN 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*

Michelle R. Robl, *County Attorney*

Norton Rose Fulbright US LLP, *Bond Counsel*
799 9th Street, NW
Washington, D.C. 20001
(202) 662,4760

PFM Financial Advisors LLC, *Financial Advisor*
4350 North Fairfax Drive, Suite 580
Arlington, Virginia 22203-1547
(703) 741-0175

FOR ADDITIONAL INFORMATION CONTACT:
Department of Finance, Prince William County
1 County Complex Court
Prince William, Virginia 22192
(703) 792-6700

[This Page Intentionally Left Blank]

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| <u>INTRODUCTION</u> | 1 |
| <u>AUTHORIZATION AND PURPOSE</u> | 1 |
| <u>SOURCES AND USES OF FUNDS</u> | 3 |
| <u>DESCRIPTION OF THE BONDS</u> | 3 |
| <u>General</u> | 3 |
| <u>Book-Entry Only System</u> | 3 |
| <u>Certificated Bonds</u> | 5 |
| <u>Optional Redemption – Series 2020 [] Bonds</u> | 6 |
| <u>Optional Redemption – Series 2020 [] Bonds</u> | 6 |
| <u>Make-Whole Optional Redemption – Series 2020[] Bonds</u> | 6 |
| <u>Notice of Redemption</u> | 8 |
| <u>Manner of Redemption</u> | 8 |
| <u>SECURITY AND SOURCES OF PAYMENT FOR THE BONDS</u> | 8 |
| <u>General</u> | 8 |
| <u>Bondholders’ Remedies in Event of Default</u> | 8 |
| <u>TAX MATTERS – SERIES 2020[] BONDS</u> | 10 |
| <u>Opinion of Bond Counsel</u> | 10 |
| <u>Original Issue Discount</u> | 10 |
| <u>Bond Premium</u> | 11 |
| <u>Backup Withholding</u> | 11 |
| <u>Other Tax Consequences</u> | 11 |
| <u>Future Tax Developments</u> | 12 |
| <u>TAX MATTERS – SERIES 2020[] BONDS</u> | 12 |
| <u>In General</u> | 12 |
| <u>Certain U.S. Federal Income Tax Considerations</u> | 12 |
| <u>Payments of Interest</u> | 13 |
| <u>Original Issue Discount</u> | 13 |
| <u>Market Discount</u> | 14 |
| <u>Premium</u> | 15 |
| <u>Disposition of a Series 2020[] Bond</u> | 16 |
| <u>Defeasance of Series 2020[] Bonds</u> | 16 |
| <u>Medicare Tax</u> | 16 |
| <u>Backup Withholding</u> | 16 |
| <u>Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations</u> | 17 |
| <u>Foreign Account Tax Compliance Act</u> | 17 |
| <u>ERISA Considerations</u> | 18 |
| <u>RATINGS</u> | 18 |
| <u>LITIGATION</u> | 19 |
| <u>APPROVAL OF LEGAL PROCEEDINGS</u> | 19 |
| <u>CERTIFICATES CONCERNING OFFICIAL STATEMENT</u> | 19 |
| <u>AUDITORS</u> | 19 |
| <u>COMMITMENTS AND CONTINGENCIES</u> | 20 |

| | |
|--|-----|
| <u>SALE AT COMPETITIVE BIDDING – SERIES 2020[] BONDS</u> | 20 |
| <u>UNDERWRITING – SERIES 2020[] BONDS</u> | 20 |
| <u>CONTINUING DISCLOSURE</u> | 20 |
| <u>FINANCIAL ADVISOR</u> | 21 |
| <u>VERIFICATION OF CERTAIN MATHEMATICAL COMPUTATIONS</u> | 21 |
| <u>MISCELLANEOUS</u> | 21 |
| <u>PRELIMINARY OFFICIAL STATEMENT DEEMED FINAL</u> | S-1 |
| APPENDIX A – CERTAIN INFORMATION REGARDING PRINCE WILLIAM COUNTY, VIRGINIA | |
| APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE COUNTY | |
| APPENDIX C – FORM OF BOND COUNSEL OPINION | |
| APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT | |
| APPENDIX E – NOTICE OF SALE – SERIES 2020[] BONDS | |

[This Page Intentionally Left Blank]

OFFICIAL STATEMENT

\$ _____*
Prince William County, Virginia
General Obligation Public Improvement Refunding Bonds, Series 2020[]

and

\$ _____
Prince William County, Virginia
[Taxable] General Obligation Public Improvement Refunding Bonds, Series 2020[]

INTRODUCTION

The purpose of this Official Statement, which includes the cover and inside cover pages and the appendices hereto, is to furnish information in connection with the sale by Prince William County, Virginia (the “County”), of its \$ _____* General Obligation Public Improvement Refunding Bonds, Series 2020[] (the “Series 2020[] Bonds”), and its \$ _____* [Taxable] General Obligation Public Improvement Refunding Bonds, 2020[] (the “Series 2020[] Bonds” and together with the Series 2020[] Bonds, the “Bonds”). This introduction is qualified in its entirety by information found elsewhere in the Official Statement. This Official Statement speaks only as of its date, and the information herein is subject to change.

The Bonds are general obligations of the County for the payment of which the County’s full faith and credit are irrevocably pledged to the payment of principal of and interest on the Bonds. Payment of the principal of and interest on the Bonds is not limited to a particular fund or revenue source. The security for the Bonds is more fully described in “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

Financial and other information contained in this Official Statement has been prepared by the County from its records, except where other sources are noted. The information is not intended to indicate future or continuing trends in the economic or financial condition of the County.

Certain information with respect to the County is included as Appendix A. The County’s general purpose financial statements and the independent auditors’ report thereon are set forth as Appendix B. 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 (703) 741-0175.

AUTHORIZATION AND PURPOSE

The Bonds are issued pursuant to Article VII, Section 10(b) of the Constitution of the Commonwealth of Virginia (the “Commonwealth”), the Public Finance Act of 1991, Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended (the “Virginia Code”), and a resolution adopted by the Prince William Board of County Supervisors (the “Board of County Supervisors”) on March 17, 2020 (the “Resolution”).

The Bonds are authorized to be issued to provide funds, with other available funds, to refund and to redeem prior to their respective maturities outstanding bonds, including all or a portion of the following

*Preliminary, subject to change.

outstanding bonds of the County, referred to hereafter as the “2010B Refunding Candidates,” the “2013 Refunding Candidates,” and the “2015 Refunding Candidates,” and collectively as the “Refunding Candidates:” [to be updated]*

| <u>Series of Refunded Bonds*</u> | <u>Principal Amount*</u> | <u>Maturities (August 1)*</u> | <u>Redemption Date</u> | <u>Redemption Price</u> | <u>CUSIP† Nos.</u> |
|----------------------------------|--------------------------|-------------------------------|------------------------|-------------------------|--------------------|
| 2010B | \$4,820,000 | 2025 | October 1, 2020 | 100% | |
| 2010B | 4,850,000 | 2030 | October 1, 2020 | 100 | |
| 2013 | 1,430,000 | 2026 | October 1, 2023 | 100 | |
| 2013 | 1,430,000 | 2027 | October 1, 2023 | 100 | |
| 2013 | 1,430,000 | 2028 | October 1, 2023 | 100 | |
| 2013 | 1,430,000 | 2029 | October 1, 2023 | 100 | |
| 2013 | 1,430,000 | 2030 | October 1, 2023 | 100 | |
| 2013 | 1,430,000 | 2031 | October 1, 2023 | 100 | |
| 2013 | 1,430,000 | 2032 | October 1, 2023 | 100 | |
| 2013 | 1,430,000 | 2033 | October 1, 2023 | 100 | |
| 2015 | 3,090,000 | 2028 | August 1, 2024 | 100 | |
| 2015 | 3,090,000 | 2029 | August 1, 2024 | 100 | |
| 2015 | 3,090,000 | 2031 | August 1, 2024 | 100 | |
| 2015 | 3,090,000 | 2032 | August 1, 2024 | 100 | |
| 2015 | 3,090,000 | 2033 | August 1, 2024 | 100 | |
| 2015 | 3,090,000 | 2034 | August 1, 2024 | 100 | |
| 2015 | 3,090,000 | 2035 | August 1, 2024 | 100 | |

[NTD: Does not include VPSA Stand-Alone Refunding]

*Preliminary, subject to change.

†The County shall not be responsible for the accuracy of the CUSIP numbers provided above. The CUSIP numbers are provided solely for the convenience of bondholders, and the County 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.

The purpose of the refunding is to achieve present value debt service savings. The County’s decision whether to refund any given Refunding Candidates is subject to prevailing market conditions at the time of the sale of the Bonds. The County may refund only certain Refunding Candidates if refunding such Refunding Candidates permits the County to meet certain savings targets. The Refunding Candidates, if any, that are refunded with proceeds of the 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 County, proceeds thereof will be used to provide for the payment and redemption of the Refunded Bonds by depositing with U.S. Bank National Association, pursuant to an escrow deposit agreement, cash and non-callable, direct obligations of the United States of America the maturing principal of and interest on which, together with such cash, will be sufficient to pay all principal and interest on the Refunded Bonds to their respective redemption dates. The arithmetical computations of the sufficiency of the cash and securities deposited with U.S. Bank

National Association, to pay the principal of and interest on the Refunded Bonds will be verified by Bingham Arbitrage Rebate Services, Inc.

SOURCES AND USES OF FUNDS

The following table sets forth the anticipated application of the proceeds of the Bonds for the purposes described above:

Sources

| | |
|---|----|
| Par amount of the Series 2020[] Bonds..... | \$ |
| Par amount of the Series 2020[] Bonds..... | |
| Offering Premium..... | |
| Total Sources..... | \$ |

Uses

| | |
|---|----|
| Deposit for payment of Refunding Bonds..... | \$ |
| Underwriters' discount..... | |
| Other issuance expenses..... | |
| Total Uses..... | \$ |

DESCRIPTION OF THE BONDS

General

The Series 2020[] Bonds will be dated the date of their delivery, will bear interest from their date, payable on each February 1 and August 1, commencing August 1, 2020, at rates, and will mature in amounts on August 1 in each of the years 2021* through 20__*, inclusive, as set forth on the inside cover page of this Official Statement. The Series 2020[] Bonds will be dated the date of their delivery, will bear interest from their date, payable on each February 1 and August 1, commencing August 1, 2020, at rates, and will mature in amounts on August 1 in each of the years 2021* through 20__*, inclusive, as set forth on the inside cover page of this Official Statement. Principal and interest on the Bonds will be paid by U.S. Bank National Association, as registrar (the "Registrar" or the "Paying Agent"), by wire transfer to the Depository Trust Company ("DTC") or its nominee, Cede & Co., for disbursement to DTC Participants to be distributed to the Beneficial Owners of the Bonds as described below.

Purchases of the Bonds may be made in principal amounts of \$5,000 and integral multiples thereof. Purchasers of the Bonds will not receive physical delivery of bond certificates. Registration of transfer of the Bonds and payment of the principal of and interest on the Bonds will occur as described below in this section. If the book-entry system is discontinued, bond certificates will be delivered as described in the Resolution, and Beneficial Owners will become registered owners of the Bonds. So long as Cede & Co. is the registered owner of all the Bonds, references to the registered owners of the Bonds shall mean Cede & Co. and not the Beneficial Owners.

Book-Entry Only System

The following description of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payments of principal of and interest on the Bonds to DTC, its nominee,

*Preliminary, subject to change.

Direct Participants (as defined below) or Beneficial Owners (as defined below), confirmation and transfer of beneficial ownership interests in the Bonds and other bond-related transactions by and between DTC, the Direct Participants and Beneficial Owners is based solely on information furnished by DTC.

DTC will act as securities depository for the Bonds. The 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 Bond certificate will be issued for each principal amount of Bonds of each maturity bearing interest at a specified interest rate, each in the aggregate principal amount of such quantity of 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.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of the 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 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 Bonds, unless use of the book entry system for the 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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 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 Bonds may wish to ascertain that the nominee holding the 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 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 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 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 County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, interest and principal payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC), is the responsibility of the County, 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.

The County 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 Bonds will be printed and delivered.

Neither the County nor the Registrar can give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of the principal, premium, if any or interest on the Bonds paid to DTC or its nominee, as the registered owner of the Bonds, or any redemption or other notices, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in the manner described in this Official Statement.

Certificated Bonds

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County. In addition, the County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository) with respect to any or all of the Bonds. If for either reason the Book-Entry Only System is discontinued, definitive Bonds will be printed and delivered. Thereafter Bonds may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations and of the same maturity and interest rate, upon surrender thereof at the principal corporate trust office of the Registrar. The transfer of any Bond may be registered on the books maintained by the Registrar for such purpose only upon the surrender thereof to the Registrar with a duly executed assignment in form satisfactory to the Registrar. For every

exchange or registration of transfer and exchange of Bonds, the County and the Registrar may make a charge sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof. For further information, prospective purchasers should contact DTC in New York, New York.

Optional Redemption – Series 2020 [] Bonds

The Series 2020 [] Bonds maturing on or before August 1, 20__*, are not subject to optional redemption before their maturity. The Series 2020 [] Bonds maturing after August 1, 20__*, are subject to redemption prior to maturity, at the option of the County, from any money available for such purpose on any date not earlier than August 1, 20__*, as a whole or in part (in integral multiples of \$5,000) at any time, at a redemption price equal to the principal amount thereof, together with the interest accrued to the redemption date on the principal amount to be redeemed.

Optional Redemption – Series 2020 [] Bonds

The Series 2020 [] Bonds maturing on or before August 1, 20__*, are not subject to optional redemption before their maturity. The Series 2020 [] Bonds maturing after August 1, 20__*, are subject to redemption prior to maturity, at the option of the County, from any money available for such purpose on any date not earlier than August 1, 20__*, as a whole or in part (in integral multiples of \$5,000) at any time, at a redemption price equal to the principal amount thereof, together with the interest accrued to the redemption date on the principal amount to be redeemed.

Make-Whole Optional Redemption – Series 2020[] Bonds

“Make-Whole” Optional Redemption. The Series 2020[] Bonds maturing on or prior to ___ 1, 20__*, are subject to redemption at the option of the County, in whole or in part, at any time, at the Make-Whole Redemption Price (as defined herein). The “Make-Whole Redemption Price” is the greater of (i) 100% of the principal amount of the Series 2020[] Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Series 2020[] Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2020[] Bonds are to be redeemed, discounted to the date on which the Series 2020[] Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (defined below) plus __%; plus in each case, accrued and unpaid interest on the Series 2020[] Bonds to be redeemed on the redemption date.

For purpose of determining the Make-Whole Redemption Price, the following definitions apply:

“Treasury Rate” means, with respect to any redemption date for any particular Series 2020[] Bond, the greater of:

(i) the yield to maturity as of such redemption date of the United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any

*Preliminary, subject to change.

publicly available source of similar market data)) most nearly equal to the period from the redemption date to maturity; provided, however, that if the period from the redemption date to maturity is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used; all as will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the County at the County's expense and such determination shall be conclusive and binding on the owners of the Series 2020[] Bonds, and

(ii) the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue (defined below), assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price (defined below), as calculated by the Designated Investment Banker (defined below).

“Comparable Treasury Issue” means, with respect to any redemption date for a particular Series 2020[] Bond, the United States Treasury security or securities selected by the Designated Investment Banker that has an actual or interpolated maturity comparable to the remaining average life of the Series 2020[] Bond to be redeemed.

“Comparable Treasury Price” means, with respect to any redemption date for a particular Series 2020[] Bond, (i) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations (defined below), the average of such quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

“Designated Investment Banker” means one of the Reference Treasury Dealers appointed by the County.

“Reference Treasury Dealer” means each of the four firms, specified by the County, from time to time, that are primary United States government securities dealers in the City of New York, New York (each a “Primary Treasury Dealer”); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the County will substitute another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date for a particular Series 2020[] Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 P.M., New York City time, on the third Business Day preceding such redemption date.

Any Make-Whole Redemption Price of Series 2020[] Bonds to be redeemed pursuant to the provisions described under this section will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the County to calculate such redemption price. The County may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

Defeasance of Series 2020[] Bonds

Persons considering the purchase of a Series 2020[] Bond should be aware that a defeasance of a Series 2020[] Bond by the County prior to maturity could result in the realization of gain or loss by the beneficial owner of the Series 2020[] Bond for federal income tax purposes, without any corresponding receipt of money by the beneficial owner. Such gain or loss generally would be subject to recognition for

the tax year in which such realization occurs, as in the case of a sale or exchange. Owners are advised to consult their own tax advisers with respect to the tax consequences resulting from such events. See “TAX MATTERS – SERIES 2020[] BONDS – Defeasance of Series 2020[] Bonds” herein.

Notice of Redemption

Upon being satisfactorily indemnified with respect to expenses, the Registrar is to send notice of the call for redemption, identifying the Bonds or portions thereof to be redeemed, by first class mail, not less than 30 days nor more than 60 days prior to the redemption date, to the registered bondholders. In addition, the Registrar is to cause notice of the call for redemption to be sent to all registered securities depositories and to the Electronic Municipal Market Access (“EMMA”) system. So long as the Bonds are in book-entry form, any notice of redemption will be given only to DTC or its nominee. The County will not be responsible for providing any Beneficial Owner of the Bonds with any notice of redemption.

Any notice of optional redemption of the 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 with the Registrar, the corresponding notice of redemption will be deemed to be revoked.

Manner of Redemption

In the case of redemptions of Bonds at the option of the County, the County will select the maturities of the Bonds to be redeemed.

If less than all of the Bonds of a particular maturity are called for redemption and the Bonds are registered in book-entry only form, the Registrar shall select the Bonds to be redeemed within such maturity by lot. [Adjust for other selection criteria]

Bonds may be redeemed only in increments of \$5,000 or whole multiples thereof. If a portion of a Bond is called for redemption, a new Bond in a principal amount equal to the unredeemed portion thereof will be issued to the bondholder upon the surrender thereof.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are general obligations of the County, and the County’s full faith and credit are irrevocably pledged to the payment of principal of and interest on the Bonds. The Board of County Supervisors is authorized and required, in each year while any Bonds are outstanding, to levy and collect on all property in the County subject to local taxation, an annual *ad valorem* tax over and above all other taxes authorized or limited by law and without limitation as to rate or amount sufficient to pay when due the principal of and interest on the Bonds unless other funds are legally available and appropriated for timely payment of the Bonds.

Bondholders’ Remedies in Event of Default

The County has never defaulted in the payment of either principal or interest on any indebtedness.

Section 15.2-2659 of the Virginia Code provides that upon an affidavit filed with the Governor by any holder of or paying agent for a general obligation bond in default as to payment of principal, premium, or interest, the Governor shall conduct a summary investigation and if satisfied that such default has occurred, the Governor shall order the State Comptroller to withhold all funds appropriated and payable by the Commonwealth to the political subdivision so in default and apply such funds to payment of the defaulted principal, premium, and interest.

Section 15.2-2659 of the Virginia Code also provides for notice to the registered owners of the default and the availability of withheld funds. To date, no order to withhold funds pursuant to Section 15.2-2659 of the Virginia Code, or its predecessor provisions, Sections 15.1-227.61 of the Virginia Code and 15.1-225 of the Virginia Code, has ever been issued with respect to the County. Although neither Section 15.2-2659 of the Virginia Code nor its predecessor provisions have been implemented by a Commonwealth court, the Attorney General of the Commonwealth has opined that appropriated funds may be withheld pursuant to that section. [The County received a total of \$ _____ in General Fund operating revenues from the Commonwealth during the fiscal year ended June 30, 2019, and currently estimates that it received within [five] percent of such amount in General Fund operating revenues from the Commonwealth for the fiscal year ended June 30, 2019]. Such amounts exclude funds provided by the Commonwealth designated for use by Prince William County Public Schools. [Maximum annual debt service on the County's outstanding tax-supported debt is approximately \$ _____ million, excluding debt service on the Bonds.]

Neither the Bonds, nor the proceedings with respect thereto, specifically provide any remedies that would be available to a bondholder if the County defaults in the payment of principal or interest on the Bonds, nor do they contain any provision for the appointment of a trustee to protect and enforce the interests of the holders thereof upon the occurrence of such a default. Upon any default in the payment of principal or interest, a bondholder may, among other things, seek to obtain a writ of mandamus from an appropriate court requiring the Board of County Supervisors to levy and collect taxes as described above. The mandamus remedy, however, may be impracticable and difficult to enforce. Furthermore, the right to levy and collect taxes and to enforce payment of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws and by equitable principles, which may limit the specific enforcement of certain remedies.

Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") permits a municipality such as the County, if insolvent or otherwise unable to pay its debts as they become due, to file a voluntary petition for the adjustment of debts, provided that such municipality is "specifically authorized, in its capacity as a municipality or by name, to be a debtor under [the Bankruptcy Code] by State law, or by a governmental officer or organization empowered by State law to authorize such entity to be a debtor under such chapter." Bankruptcy Code § 109(c)(2). Current statutes of the Commonwealth do not expressly authorize the County or municipalities generally to file under the Bankruptcy Code. The Bankruptcy Code does not authorize the filing of involuntary petitions against municipalities such as the County.

Bankruptcy proceedings by the County could have adverse effects on holders of the Bonds, including, but not limited to, (a) delay in the enforcement of their remedies, (b) subordination of their claims to claims of those supplying goods and services to the County after initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings, and (c) imposition without their consent of a plan of adjustment reducing or delaying payments of the Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any plan of adjustment not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent" thereof although such plan may not provide for

payment of the Bonds in full. The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretations.

TAX MATTERS – SERIES 2020[] BONDS

Opinion of Bond Counsel

In the opinion of Norton Rose Fulbright US LLP, Bond Counsel, under current law, and subject to the provisions of this section, interest on the Series 2020[] Bonds will not be includable in gross income of the owners of the Series 2020[] Bonds for federal income tax purposes. Interest on the Series 2020[] Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of the Series 2020[] Bonds in the event of a failure by the County or the School Board of the County to comply with applicable requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and their respective covenants regarding use, expenditure, and investment of the proceeds of the Series 2020[] Bonds and timely payment of certain investment earnings to the United States Treasury. No opinion is rendered by Bond Counsel as to the effect on the exclusion from gross income of the interest on the Series 2020[] Bonds for federal income tax purposes of any action taken or not taken without the approval of Bond Counsel or upon the advice or approval of counsel other than Bond Counsel.

Interest on the Series 2020[] Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax under the Code.

Original Issue Discount

The excess, if any, of the amount payable at maturity of any maturity of the Series 2020[] 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 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 Bonds. In general, the issue price of a maturity of the Series 2020[] Bonds is the first price at which a substantial amount of Series 2020[] 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 Bonds is sold to the public may be determined according to rules that differ from those described above. An owners of a Discount Bond should consult his or her tax advisors with respect to the determination for federal income tax purposes of the amount of original issue discount with respect to

such Discount Bond and with respect to state and local tax consequences of owning and disposing of such Discount Bond.

Bond Premium

The excess, if any, of the tax basis of Series 2020[] Bonds purchased as part of the initial public offering to a purchaser (other than a purchaser who holds such Series 2020[] 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 2020[] 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). No deduction is allowed for such amortization of Bond Premium; however, Bond Premium is treated as an offset to qualified stated interest received on the Series 2020[] Bonds. An owner of such Series 2020[] Bonds is required to decrease his adjusted basis in such Bonds by the amount of amortizable Bond Premium attributable to each taxable year such Bonds are held. An owner of such Bonds should consult his or her tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon sale, redemption or other disposition of such Series 2020[] Bonds and with respect to state and local income tax consequences of owning and disposing of such Series 2020[] Bonds.

Backup Withholding

Interest paid on the Series 2020[] 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 2020[] Bonds from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Series 2020[] 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 existing law, the interest on the Series 2020[] Bonds is excluded from Virginia taxable income for purposes of the individual income tax and the income taxation of corporations by the Commonwealth of Virginia under Sections 58.1-322 and 58.1-402 of the Code of Virginia of 1950, as amended (the “Virginia Code”), to the extent that such interest is excludable from gross income for federal income tax purposes.

The Code and the Virginia Code contain 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 2020[] Bonds or the inclusion in certain computations of interest on the Series 2020[] Bonds that is excluded from gross income for purposes of federal income taxation.

PROSPECTIVE PURCHASERS OF THE SERIES 2020[] 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 2020[] 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 2020[] Bonds. Prospective purchasers of the Series 2020[] 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.

TAX MATTERS – SERIES 2020[] BONDS

In General

Interest on the Series 2020[] Bonds will be includable in the gross income of the owners thereof for purposes of federal income taxation. See “– Certain U.S. Federal Income Tax Considerations” below.

Certain U.S. Federal Income Tax Considerations

The following summary of certain United States federal income tax consequences of the purchase, ownership and disposition of the Series 2020[] Bonds is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (including changes in effective dates), which change may be retroactive, or possible differing interpretations. No assurance can be given that future changes in the law will not alter the consequences described herein. It deals only with the Series 2020[] Bonds held as capital assets and does not purport to deal with persons in special tax situations, including but not limited to financial institutions, insurance companies, regulated investment companies, dealers in securities or currencies, persons holding the Series 2020[] Bonds as a hedge against currency risks or as a position in a “straddle” for tax purposes, or persons whose functional currency is not the U.S. dollar. It also does not deal with holders other than investors who purchase Series 2020[] Bonds in the initial offering at the first price at which a substantial amount of such substantially identical bonds are sold to the general public (except where otherwise specifically noted). Persons considering the purchase of the Series 2020[] Bonds should consult their own tax advisors concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Series 2020[] Bonds arising under the laws of any other taxing jurisdiction.

As used herein, the term “U.S. Holder” means a beneficial owner of a Series 2020[] Bond that is for U.S. federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust,

or (b) the trust was in existence on August 20, 1996, and properly elected to continue to be treated as a United States person. Moreover, as used herein, the term “U.S. Holder” includes any holder of a Series 2020[] Bond whose income or gain in respect of its investment in a Bond is effectively connected with the U.S. trade or business. As used herein, the term “Non-U.S. Holder” means a beneficial Owner of a Bond (other than an entity that is classified as a partnership) that is not a U.S. Holder.

If a partnership (including for this purpose any entity treated as a partnership for United States federal income tax purposes) is the beneficial owner of any Series 2020[] Bond, the treatment of a partner in that partnership will generally depend upon the status of such partner and the activities of such partnership. A partnership and any partner in a partnership holding Series 2020[] Bonds should consult its own tax advisor.

Payments of Interest

Payments of interest on a Series 2020[] Bond generally will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder’s regular method of tax accounting), provided such interest is “qualified stated interest,” as defined below.

Original Issue Discount

The following summary is a general discussion of the U.S. federal income tax consequences to U.S. Holders of the purchase, ownership and disposition of Series 2020[] Bonds issued with original issue discount (“OID Bonds”), if any. The following summary is based upon final Treasury regulations (the “OID Regulations”) released by the Internal Revenue Service (“IRS”) under the original issue discount provisions of the Code.

For U.S. federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a bond over its issue price, if such excess equals or exceeds a de minimis amount (generally 1/4 of 1% of the bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity from its issue date or, in the case of a bond providing for the payment of any amount other than qualified stated interest (as defined below) prior to maturity, multiplied by the weighted average maturity of such bond). The issue price of each maturity of substantially identical Bonds equals the first price at which a substantial amount of such maturity of Bonds has been sold (ignoring sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers), which may not be the same as the prices shown on the inside cover of this official statement. The stated redemption price at maturity of a Series 2020[] Bond is the sum of all payments provided by the Series 2020[] Bond other than “qualified stated interest” payments. The term “qualified stated interest” generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate. Payments of qualified stated interest on a Bond are generally taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder’s regular method of tax accounting).

A U.S. Holder of an OID Bond must include original issue discount in income as ordinary interest income for U.S. federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder’s regular method of tax accounting. In general, the amount of original issue discount included in income by the initial U.S. Holder of an OID Bond is the sum of the daily portions of original issue discount with respect to such OID Bond for each day during the taxable year (or portion of the taxable year) on which such U.S. Holder held such OID Bond. The “daily portion” of original issue discount on any OID Bond is determined by

allocating to each day in any accrual period a ratable portion of the original issue discount allocable to that accrual period. An “accrual period” may be of any length and the accrual periods may vary in length over the term of the OID Bond, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period. The amount of original issue discount allocable to each accrual period is generally equal to the difference between (i) the product of the OID Bond’s adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The “adjusted issue price” of an OID Bond at the beginning of any accrual period is the sum of the issue price of the OID Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the OID Bond that were not qualified stated interest payments. Under these rules, U.S. Holders generally will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

A U.S. Holder who purchases an OID Bond for an amount that is greater than its adjusted issue price as of the purchase date and less than or equal to the sum of all amounts payable on the OID Bond after the purchase date, other than payments of qualified stated interest, will be considered to have purchased the OID Bond at an “acquisition premium.” Under the acquisition premium rules, the amount of original issue discount which such U.S. Holder must include in its gross income with respect to such OID Bond for any taxable year (or portion thereof in which the U.S. Holder holds the OID Bond) will be reduced (but not below zero) by the portion of the acquisition premium properly allocable to the period.

U.S. Holders may generally, upon election, include in income all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) that accrues on a debt instrument by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions. This election will generally apply only to the debt instrument with respect to which it is made and may be revoked only with the consent of the IRS.

Market Discount

If a U.S. Holder purchases a Series 2020[] Bond, other than an OID Bond, for an amount that is less than its issue price (or, in the case of a subsequent purchaser, its stated redemption price at maturity) or, in the case of an OID Bond, for an amount that is less than its adjusted issue price as of the purchase date, such U.S. Holder will be treated as having purchased such Bond at a “market discount,” unless the amount of such market discount is less than a specified de minimis amount.

Under the market discount rules, a U.S. Holder will be required to treat any partial principal payment (or, in the case of an OID Bond, any payment that does not constitute qualified stated interest) on, or any gain realized on the sale, exchange, retirement or other disposition of, a Bond as ordinary income to the extent of the lesser of (i) the amount of such payment or realized gain or (ii) the market discount which has not previously been included in gross income and is treated as having accrued on such Bonds at the time of such payment or disposition. Market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the Bonds, unless the U.S. Holder elects to accrue market discount on the basis of semiannual compounding.

A U.S. Holder may be required to defer the deduction of all or a portion of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry a Series 2020[] Bond with market discount until the maturity of such Series 2020[] Bond or certain earlier dispositions, because a

current deduction is only allowed to the extent the interest expense exceeds an allocable portion of market discount. A U.S. Holder may elect to include market discount in income currently as it accrues (on either a ratable or semiannual compounding basis), in which case the rules described above regarding the treatment as ordinary income or gain upon the disposition of the Series 2020[] Bond and upon the receipt of certain cash payments and regarding the deferral of interest deductions will not apply. Generally, such currently included market discount is treated as ordinary interest for U.S. federal income tax purposes. Such an election will apply to all debt instruments acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

Premium

If a U.S. Holder purchases a Series 2020[] Bond for an amount that is greater than the sum of all amounts payable on the Bond after the purchase date, other than payments of qualified stated interest, such U.S. Holder will be considered to have purchased the Series 2020[] Bond with “amortizable bond premium” equal in amount to such excess. A U.S. Holder may elect to amortize such premium using a constant yield method over the remaining term of the Series 2020[] Bond and may offset interest otherwise required to be included in respect of the Series 2020[] Bond during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on a Series 2020[] Bond held by a U.S. Holder that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Series 2020[] Bond. However, if the Series 2020[] Bond may be optionally redeemed after the U.S. Holder acquires it at a price in excess of its stated redemption price at maturity, special rules would apply which could result in a deferral of the amortization of some bond premium until later in the term of the Bond (as discussed in more detail below). Any election to amortize bond premium applies to all taxable debt instruments held by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

The following rules apply to any Series 2020[] Bond that may be optionally redeemed after the U.S. Holder acquires it at a price in excess of its stated redemption price at maturity. The amount of amortizable bond premium attributable to such Series 2020[] Bond is equal to the lesser of (1) the difference between (A) such U.S. Holder’s tax basis in the Series 2020[] Bond and (B) the sum of all amounts payable on such Series 2020[] Bond after the purchase date, other than payments of qualified stated interest and (2) the difference between (X) such U.S. Holder’s tax basis in such Series 2020[] Bond and (Y) the sum of all amounts payable on such Bond after the purchase date due on or before the early call date, other than payments of qualified stated interest. If a Series 2020[] Bond may be redeemed on more than one date prior to maturity, the early call date and amount payable on the early call date that produces the lowest amount of amortizable bond premium, is the early call date and amount payable that is initially used for purposes of calculating the amount pursuant to clause (2) of the previous sentence. If an early call date is not taken into account in computing premium amortization and the early call is in fact exercised, a U.S. Holder will be allowed a deduction for the excess of the U.S. Holder’s tax basis in the Bond over the amount realized pursuant to the redemption. If an early call date is taken into account in computing premium amortization and the early call is not exercised, the Bond will be treated as “reissued” on such early call date for the call price. Following the deemed reissuance, the amount of amortizable bond premium is recalculated pursuant to the rules of this section “Premium.” The rules relating to Bonds that may be optionally redeemed are complex and, accordingly, prospective purchasers are urged to consult their own tax advisors regarding the application of the amortizable bond premium rules to their particular situation.

Disposition of a Series 2020[] Bond

Except as discussed above, upon the sale, exchange or retirement of a Series 2020[] Bond, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (other than amounts representing accrued and unpaid interest) and such U.S. Holder's adjusted tax basis in the Series 2020[] Bond. A U.S. Holder's adjusted tax basis in a Bond generally will equal such U.S. Holder's initial investment in the Series 2020[] Bond increased by any original issue discount included in income (and accrued market discount, if any, if the U.S. Holder has included such market discount in income) and decreased by the amount of any payments, other than qualified stated interest payments, received and amortizable bond premium taken with respect to such Series 2020[] Bond. Such gain or loss generally will be long-term capital gain or loss if the Bond has been held by the U.S. Holder at the time of disposition for more than one year. If the U.S. Holder is an individual, long-term capital gain will be subject to reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

Defeasance of Series 2020[] Bonds

Persons considering the purchase of a Series 2020[] Bond should be aware that a defeasance of a Bond by the County prior to maturity could result in the realization of gain or loss by the beneficial owner of the Bond for federal income tax purposes, without any corresponding receipts of money by the beneficial owner. Such gain or loss generally would be subject to recognition for the tax year in which such realization occurs, as in the case of a sale or exchange. Owners are advised to consult their own tax advisers with respect to the tax consequences resulting from such events. See "DESCRIPTION OF THE BONDS – Make-Whole Optional Redemption – Series 2020[] Bonds – Defeasance of Series 2020[] Bonds" herein.

Medicare Tax

For taxable years beginning after December 31, 2012, an additional 3.8% tax has been imposed on the net investment income (which includes interest, original issue discount and net gains from a disposition of a Series 2020[] Bond) of certain individuals, trust and estates. Prospective investors in the Series 2020[] Bonds should consult their tax advisors regarding the possible applicability of this tax to an investment in the Series 2020[] Bonds.

Backup Withholding

A beneficial owner of the Series 2020[] Bonds who is a U.S. Holder may, under certain circumstances, be subject to "backup withholding" (currently at a rate of 24%) on current or accrued interest on the Series 2020[] Bonds or with respect to proceeds received from a disposition of the Bonds. This withholding applies if such beneficial owner of Series 2020[] Bonds: (i) fails to furnish to the payor such beneficial owner's social security number or other taxpayer identification number ("TIN"); (ii) furnishes the payor an incorrect TIN; (iii) fails to report interest properly; or (iv) under certain circumstances, fails to provide the payor or such beneficial owner's broker with a certified statement, signed under penalty of perjury, that the TIN provided to the payor or broker is correct and that such beneficial owner is not subject to backup withholding. To establish status as an exempt person, a beneficial owner will generally be required to provide certification on IRS Form W-9 (or substitute form).

Backup withholding will not apply, however, if the beneficial owner is a corporation or falls within certain tax-exempt categories and, when required, demonstrates such fact. **BENEFICIAL OWNERS OF THE SERIES 2020[] BONDS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THEIR QUALIFICATION FOR EXEMPTION FROM BACKUP WITHHOLDING**

AND THE PROCEDURE FOR OBTAINING SUCH EXEMPTION, IF APPLICABLE. The backup withholding tax is not an additional tax and taxpayers may use amounts withheld as a credit against their federal income tax liability or may claim a refund as long as they timely provide certain information to the IRS.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations

Nonresident alien individuals and foreign corporations are generally subject to withholding of U.S. federal income tax by the payor at the rate of 30% on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest income of such a beneficial owner of the Series 2020[] Bonds is not treated as effectively connected income within the meaning of Section 864 of the Code, such interest will be subject to 30% withholding, or any lower rate specified in an income tax treaty, unless such income is treated as “portfolio interest.” Interest will be treated as portfolio interest if (i) the beneficial owner provides a statement to the payor certifying, under penalties of perjury, that such beneficial owner is a Non-U.S. Holder and providing the name and address of such beneficial owner, (ii) such interest is treated as not effectively connected with the beneficial owner’s United States trade or business, (iii) interest payments are not made to a person within a foreign country which the IRS has included on a list of countries having provisions inadequate to prevent United States tax evasion, (iv) interest payable with respect to the Series 2020[] Bonds is not deemed contingent interest within the meaning of the portfolio debt provision, (v) such beneficial owner is not a controlled foreign corporation within the meaning of Section 957 of the Code and (vi) such beneficial owner is not a bank receiving interest on the Series 2020[] Bonds pursuant to a loan agreement entered into in the ordinary course of the bank’s trade or business.

Assuming payments on the Series 2020[] Bonds are treated as portfolio interest within the meaning of Sections 871 and 881 of the Code, then no withholding under Section 1441 and 1442 of the Code, and no backup withholding under Section 3406 of the Code is required with respect to beneficial owners or intermediaries who have furnished Form W-8 BEN, Form W-8 BEN-E, Form W-8 EXP, or Form W-8 IMY, as applicable, provided the payor has no actual knowledge or reason to know that such person is a U.S. Holder.

A non-U.S. Holder whose income with respect to its investment in a Series 2020[] Bond is effectively connected with the conduct of a U.S. trade or business would generally be taxed as if the holder was a U.S. person provided the holder provides to the Withholding Agent an IRS Form W-8ECI.

Generally, a non-U.S. Holder will not be subject to United States federal income taxes on any amount which constitutes capital gain upon retirement or disposition of a Series 2020[] Bond, unless such non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and such gain is derived from sources within the United States. Certain other exceptions may be applicable, and a non-U.S. Holder should consult its tax advisor in this regard.

The Bonds will not be includable in the estate of a non-U.S. Holder unless, at the time of such individual’s death, payments in respect of the Series 2020[] Bonds would have been effectively connected with the conduct by such individual of a trade or business in the United States.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain

U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act (“FATCA”) imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Bonds and sales proceeds of Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including original issue discount) and will apply to (i) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2018, and (ii) certain “pass-thru” payments no earlier than January 1, 2019. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and section 4975 of the Code generally prohibit certain transactions between employee benefit plans under ERISA or tax qualified retirement plans and individual retirement accounts under the Code (collectively, the “Plans”) and persons who, with respect to a Plan, are fiduciaries or other “parties in interest” within the meaning of ERISA or “disqualified persons” within the meaning of the Code. In addition, each fiduciary of a Plan (“Plan Fiduciary”) must give appropriate consideration to the facts and circumstances that are relevant to an investment in the Series 2020[] Bonds, including the role that such an investment in the Bonds would play in the Plan’s overall investment portfolio. Each Plan Fiduciary, before deciding to invest in the Bonds, must be satisfied that such investment in the Series 2020[] Bonds is a prudent investment for the Plan, that the investments of the Plan, including the investment in the Bonds, are diversified so as to minimize the risk of large losses and that an investment in the Series 2020[] Bonds complies with the documents of the Plan and related trust, to the extent that such documents are consistent with ERISA. All Plan Fiduciaries, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Series 2020[] Bonds.

RATINGS

Fitch Ratings, Inc. (“Fitch”), Moody’s Investors Service, Inc. (“Moody’s”), and S&P Global Ratings, a division of S&P Global Inc. (“S&P”), have given the Bonds the ratings of “___,” “___” and “___,” respectively. The County requested that the Bonds be rated and furnished certain information to Fitch, Moody’s and S&P, including certain information that may not be included in this Official Statement.

Such ratings reflect only the views of the respective rating agencies, and an explanation of the significance of such ratings may be obtained only from the respective rating agency. These ratings are not a recommendation to buy, sell or hold the Bonds. The ratings are subject to review and change or withdrawal at any time if, in the judgment of the respective rating agency, circumstances so warrant. There is no assurance that any such ratings will continue for any period of time or that they will not be revised downward or withdrawn entirely. A downward revision or withdrawal of any of the ratings may have an adverse effect on the liquidity or the market price of the Bonds.

LITIGATION

There may be miscellaneous claims against the County including claims in litigation. In the opinion of the County Attorney and County management, none of such claims would materially affect the County's financial position. The County Attorney is of the opinion that there is no litigation pending or threatened in either Commonwealth or federal courts that would in any way affect the validity of the Bonds or the right of the County to levy and collect *ad valorem* taxes, without limitation as to rate or amount, for payment of the Bonds and the interest thereon.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel, the proposed form of whose opinion is included herein as Appendix C.

Certain legal matters will be passed upon for the County by the County Attorney, Michelle R. Robl, Esquire, and for the Underwriters of the Series 2020[] Bonds by _____, _____.

CERTIFICATES CONCERNING OFFICIAL STATEMENT

The County will furnish to the Underwriter, as herein defined, a certificate dated the date of delivery of the Bonds, signed by the County Executive and the County's Director of Finance, and stating that, both as of the date of this Official Statement and the date of delivery of the Bonds, this Official Statement (except in the subsections entitled "DESCRIPTION OF THE BONDS—Book-Entry Only System," "TAX MATTERS," "SALE AT COMPETITIVE BIDDING – SERIES 2020[] BONDS," "FINANCIAL ADVISOR," "Appendix C—Form of Bond Counsel Opinion" and the information as to yields or prices on the cover page) did not and does not contain an untrue statement of a material fact or omit to state a material fact necessary to make such descriptions and statements, in the light of the circumstances under which they were made, not misleading, and no material adverse change has occurred in the financial condition of the County between the date of this Official Statement and the date of delivery of the Bonds, other than as contemplated in this Official Statement. Such Certificate will state, however, that the County Executive and the County's Director of Finance did not independently verify the information in this Official Statement indicated as having been obtained or derived from sources other than the County and its officers but that they have no reason to believe that such information is not accurate.

The County will furnish to the winning bidder (the "Underwriter") for the Bonds, a certificate or an opinion dated the date of delivery of the Bonds, signed by the County Attorney stating that, both as of the date of this Official Statement and the date of delivery of the Bonds, the statements in the section "LITIGATION" on the date of this Official Statement and on the date of delivery of the Bonds, respectively, did not and do not contain an untrue statement of a material fact or omit to state a material fact necessary to make such statements, in the light of the circumstances under which they were made, not misleading.

AUDITORS

The County's financial statements as of and for the fiscal year ended June 30, 2019, have been audited by the independent public accounting firm of Cherry Bekaert, Tysons Corner, Virginia, as set forth in their report dated _____, which is included as Appendix B.

COMMITMENTS AND CONTINGENCIES

The County participates in a number of federal and Commonwealth grant, entitlement and shared revenue programs. The programs are subject to program compliance audits by the applicable federal or Commonwealth agency or its representatives. Furthermore, the U.S. Office of Management and Budget, in Circular Number A-128, established audit requirements for an annual independent organization-wide audit for local governments receiving federal assistance. The amounts, if any, of expenditures that may be disallowed by these audits cannot be determined at this time although the County expects such amounts, if any, would not materially adversely affect the ability of the County to pay the principal of and interest on the Bonds.

SALE AT COMPETITIVE BIDDING – SERIES 2020[] BONDS

The Series 2020[] Bonds were awarded pursuant to electronic competitive bidding held via Parity on _____, _____, 2020, to _____, at a price to the County that results in an aggregate underwriter's discount of \$ _____ derived from the yields on the Series 2020[] Bonds shown on the cover page. The underwriter has supplied the information as to the initial reoffering yields shown on the cover page. The underwriter may offer to sell the Series 2020[] Bonds to certain dealers and others at prices higher or lower than the prices derived from the yields shown on the cover page.

UNDERWRITING – SERIES 2020[] BONDS

The Series 2020[] Bonds are being purchased for reoffering by _____, as representative of the underwriters for the Series 2020[] Bonds (the "Underwriters"), at a purchase price of \$ _____ (which reflects the par amount of the Series 2020[] Bonds, less \$ _____ underwriters' discount and plus \$ _____ net original issue premium). The Underwriters intend to offer the Series 2020[] Bonds to the public at the offering prices set forth on the cover page of this Official Statement. The Underwriters may allow concessions to certain dealers (including dealers in a selling group and the Underwriters and other dealers depositing Series 2020[] Bonds into investments trusts), which may reallocate concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Underwriters.

CONTINUING DISCLOSURE

[to be updated] 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 Bonds, unless it has determined that the issuer of such securities and/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 D), to be dated the date of delivery of the Bonds, for the benefit of the holders of the Bonds, to provide to EMMA, annually, not later than March 31 of each year, commencing March 31, 2016, Annual Reports with respect to itself, as issuer. Similarly, the County will provide Event Notices with respect to the Bonds to EMMA.

Except as described below, the County will represent as of the date of delivery of the 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.

FINANCIAL ADVISOR

The County has retained PFM Financial Advisors LLC, Arlington, Virginia, as financial advisor (the “Financial Advisor”) in connection with the issuance of the 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 not engaged in the business of underwriting municipal securities.

VERIFICATION OF CERTAIN MATHEMATICAL COMPUTATIONS

The accuracy of the arithmetical computations of the maturing principal and interest earned on the federal securities in the escrow account established in the escrow agreement relating to the Refunded Bonds to pay when due or at their respective redemption dates, the principal of, premium, if any, and interest on the Refunded Bonds, has been verified by Bingham Arbitrage Rebate Services, Inc. Such verification has been based upon information supplied by the Financial Advisor.

MISCELLANEOUS

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. All quotations from and summaries and explanations of laws contained in this Official Statement do not purport to be complete, and reference is made to such laws for full and complete statements of their provisions.

[Remainder of Page Intentionally Blank]

PRELIMINARY OFFICIAL STATEMENT DEEMED FINAL

The distribution of this Preliminary Official Statement has been duly authorized by the Board of County Supervisors of the County. The County deems this Preliminary Official Statement final as of its date within the meaning of Rule 15c2-12 of the Securities and Exchange Commission except for the omission of certain pricing and other information permitted to be omitted by Rule 15c2-12.

PRINCE WILLIAM COUNTY, VIRGINIA

By: _____
Director of Finance

APPENDIX A

**CERTAIN INFORMATION REGARDING
PRINCE WILLIAM COUNTY, VIRGINIA**

[This Page Intentionally Left Blank]

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE COUNTY

The appended General Purpose Financial Statements were reproduced from the County's audited financial statements included in its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. Additional information relative to the County's financial operations and long-term debt is presented in Appendix A of this Official Statement.⁽¹⁾

¹ In order to preserve cross-references within such pages, this Appendix has not been repaginated and, accordingly, retains the original pagination.

APPENDIX C

FORM OF BOND COUNSEL OPINION

May __, 2020

Prince William Board of County Supervisors
Prince William, Virginia

As bond counsel to Prince William County, Virginia (the “County”), we have examined certified copies of the legal proceedings, including the election proceedings, and other proofs submitted, relative to the issuance and sale of

§ _____
Prince William County, Virginia
General Obligation Public Improvement Refunding Bonds, Series 2020[] (the “Series 2020[] Bonds”)

and

§ _____
Prince William County, Virginia
[Taxable] General Obligation Public Improvement Refunding Bonds, Series 2020[]
(the “Series 2020[] Bonds,” and together with the Series 2020[] Bonds, the “Bonds”)

The Series 2020[] Bonds are dated the date of their delivery, mature in annual installments on August 1 in each of the years 2021 to 2035, inclusive, and bear interest payable on the 1st days of February and August in each year, commencing August 1, 2020. The Series 2020[] Bonds are dated the date of their delivery, mature in annual installments on August 1 in each of the years 20__ to 20__ inclusive, and bear interest payable on the 1st days of February and August in each year, commencing _____. The Bonds are subject to redemption prior to their respective maturities in the manner and upon the terms and conditions set forth in the resolution authorizing the issuance of the Bonds adopted by the Prince William Board of County Supervisors on March 17, 2020 (the “Bond Resolution”).

From such examination, we are of the opinion that:

(1) Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to the Constitution and laws of Virginia, and the Bonds constitute valid and binding general obligations of the County, for the payment of which the full faith and credit of the County are pledged, and all taxable property in the County is subject to the levy of an *ad valorem* tax, without limitation as to rate or amount, for the payment of the Bonds and the interest thereon, which tax 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.

(2) Except as provided in the following sentence, interest on the Series 2020[] Bonds is not includable in the gross income of the owners thereof for federal income tax purposes under current law. Interest on the Series 2020[] Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of the Series 2020[] Bonds in the event of a failure by the County to comply with applicable requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and its covenants regarding use, expenditure, and investment of the proceeds of the Series 2020[] Bonds and the timely payment of certain investment earnings to the United States Treasury, and we render no opinion as to the effect on the exclusion from gross income of the interest on the Series 2020[] 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.

(3) Interest on the Series 2020[] Bonds is not an item of preference for purposes of the federal alternative minimum tax.

(4) Under existing law, interest on the Series 2020[] Bonds is excluded from Virginia taxable income for purposes of the individual income tax and the income taxation of corporations by the Commonwealth of Virginia under Sections 58.1-322 and 58.1-402 of the Code of Virginia of 1950, as amended (the “Virginia Code”).

The Code and the Virginia Code contain other provisions that could result in tax consequences, as to which we render no opinion, as a result of ownership of the Bonds or the inclusion in certain computations of interest that is excluded from gross income.

The Code contains other provisions that could result in tax consequences, as to which we render no opinion, as a result of ownership of the Series 2020[] Bonds or the inclusion in certain computations of interest that is excluded from gross income.

Respectfully submitted,

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Agreement”), dated as of May __, 2020, is executed and delivered in connection with the issuance by Prince William County, Virginia (the “County”), of its \$ _____ * General Obligation Public Improvement Refunding Bonds, Series 2020[] (the “Series 2020[] Bonds”), and its \$ _____ * [Taxable] General Obligation Public Improvement Refunding Bonds, 2020[] (the “Series 2020[] Bonds” and together with the Series 2020[] Bonds, the “Bonds”), dated _____, 2020, and pursuant to a resolution adopted by the Board of County Supervisors of the County on March 17, 2020 (the “Resolution”). Capitalized terms used in this Agreement shall have the respective meanings specified above or in Article I hereof. Pursuant to the Resolution, 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 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.

“**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.

“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.

For these purposes, (a) any event described in the immediately preceding paragraph (12) 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 paragraphs (15) and (16) and the definition of Financial Obligation in this Section 2 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. For these purposes, (a) any event described in the immediately preceding paragraph (12) 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 paragraphs (15) and (16) and the definition of Financial Obligation in this Section 2 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.

“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, in a timely manner, a Material Event Notice to the Repository.

(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, _____, 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 Resolution. 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 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: _____

**NOTICE OF SALE – SERIES 2020[] BONDS
 NOTICE OF SALE**

\$ _____ *

PRINCE WILLIAM COUNTY, VIRGINIA

General Obligation Public Improvement Refunding Bonds, Series 2020[]

Electronic Bids, BiDCOMP/Parity Competitive Bidding System (“BiDCOMP/Parity”) only, will be received by the Prince William Board of County Supervisors (the “County”), until [11:00] a.m., Prince William, Virginia Time, on

March __, 2020*

for the purchase of all, but not less than all, of the \$ _____ * General Obligation Public Improvement Refunding Bonds, Series 2020[] of Prince William County, Virginia (the “Bonds”), dated the date of their delivery and maturing, subject to the right of prior redemption as hereinafter set forth, on the 1st day of August in the following years and in the following amounts, respectively:

Initial Maturity Schedule for the Bonds*

| <u>Year of Maturity</u> | <u>Principal Amount*</u> | <u>Year of Maturity</u> | <u>Principal Amount*</u> |
|-------------------------|--------------------------|-------------------------|--------------------------|
| 2021 | \$ | 2029 | \$ |
| 2022 | | 2030 | |
| 2023 | | 2031 | |
| 2024 | | 2032 | |
| 2025 | | 2033 | |
| 2026 | | 2034 | |
| 2027 | | 2035 | |
| 2028 | | | |

* Preliminary, subject to change.

The County 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 _____, 2020, at [11:00] a.m. Local Time |
| Anticipated Delivery/Closing Date: | May __, 2020 | Bid Submission: | Electronic bids through BiDCOMP/PARITY Only |
| Interest Payments Dates: | February 1 and August 1 | All or None? | Yes |
| First Interest Payment Date: | August 1, 2020 | 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 E-6, under “Good Faith Deposit” |
| Zero Coupons: | Not Permitted | Max TIC | ___% |
| Split Coupons: | Not Permitted | | |
| PRINCIPAL | | PRICING | |
| Optional Redemption: | Due on and after _____ 1, 2030, callable on _____ 1, 2030, and thereafter at par | Max. Aggregate Bid Price: | ___% |
| Post-bid Principal Increases in Aggregate: | 10% | Min. Aggregate Bid Price: | ___% |
| 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 ___% |
| | | Low Coupon per Maturity: | TBD |

* 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 County 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 County 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 County 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 County’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 February 1 and August 1, the first interest payment date being August 1, 2020, 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 County 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 County 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 County will discontinue the book-entry system with DTC. If the County fails to select another qualified securities depository to replace DTC, the County will deliver replacement Bonds in the form of fully registered certificates.

The Bonds

The Bonds will be general obligations of Prince William County, Virginia, and all taxable property therein will be subject to the levy of an annual ad valorem tax sufficient in amount to provide for the payment of the principal of and the interest on the Bonds as the same become due, which tax will be without limitation as to rate or amount and will 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 purposes.

The Bonds are being issued to refund certain prior obligations of the County.

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

The Bonds maturing on or after _____ 1, 2030*, are subject to redemption prior to maturity, at the option of the County, from any money available for such purpose on any date on or after _____ 1, 2030*, as a whole or in part (in integral multiples of \$5,000) at any time, at a redemption price equal to the principal amount thereof, together with the interest accrued to the redemption date on the principal amount to be redeemed.

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 County 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.

* Preliminary, subject to change.

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 COUNTY 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 County 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 County 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 County is using BiDCOMP/Parity as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds. The County 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 County 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 County's financial advisor, by telephone at (703) 741-0175. After receipt of bids is closed, the County 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 County 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 Prince William County, Virginia 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 County, 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 County, 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 County 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 County 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 County has confirmation of receipt of the Deposit. The wire information will be provided to the apparent successful bidder shortly after the bidding deadline.

Award or rejection of bids will be made by or on behalf of the Prince William Board of County Supervisors on the date above stated for the receipt of bids. 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 County within 24 hours of the closing of receipt of bids. ALL BIDS SHALL REMAIN FIRM UNTIL [5:00] P.M., PRINCE WILLIAM, VIRGINIA TIME, ON THE DATE OF RECEIPT OF BIDS. An award of the Bonds, if made, will be made by the County within such six-hour period of time [(11:00 a.m. – 5:00 p.m.).]

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 County.

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 County 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 County 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 County 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 County 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 County reserves the right to otherwise change this Notice of Sale. The County 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 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 County in establishing the issue price of the Bonds and shall execute and deliver to the County 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 County or Bond Counsel.

The County 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 County 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 County 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 County 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 County receives less than three bids that conform to the parameters contained herein such that the competitive sale requirements are not satisfied, the County 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 County will treat the Initial Public Offering Prices as of the Sale Date of the Bonds as the issue price of the Bonds. The County 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 County 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 County 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 County 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 County 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 County 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 County 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 County (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 County in writing (via facsimile transmission) 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 May __, 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 County'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. The Preliminary Official Statement at its date is "deemed final" by the County 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 County will prepare copies of the Official Statement (no more than 300) and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request; provided, however, that the County 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 County in all respects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering. The County 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 County 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 County 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 County will provide to EMMA annual information respecting the County, including audited financial statements. In addition, the County 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 PFM Financial Advisors LLC (703) 741-0175.

Reservation of Rights

The right to reject any or all bids and to waive any irregularity or informality in any bid is reserved.

PRINCE WILLIAM BOARD OF COUNTY SUPERVISORS

By: Andrea P. Madden, Clerk

Exhibit A

PRINCE WILLIAM COUNTY, VIRGINIA
[\$[PRINCIPAL AMOUNT]
GENERAL OBLIGATION PUBLIC IMPROVEMENT REFUNDING BONDS,
SERIES 2020[]

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 Prince William County, 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 [DATE].

(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

PRINCE WILLIAM COUNTY, VIRGINIA
[\$[PRINCIPAL AMOUNT]
GENERAL OBLIGATION PUBLIC IMPROVEMENT REFUNDING BONDS,
SERIES 2020[]

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 Prince William County, 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)

BOND PURCHASE AGREEMENT

§ _____
PRINCE WILLIAM COUNTY, VIRGINIA
[TAXABLE] GENERAL OBLIGATION PUBLIC IMPROVEMENT REFUNDING
BONDS,
SERIES 2020[]

March __, 2020

Prince William County, Virginia
1 County Complex Court
Prince William, VA 22192
Attention: Director of Finance

The undersigned, _____ (the “Representative”), on its own behalf and on behalf of _____ and _____ (collectively, the “Underwriters”), hereby agrees to purchase the above-captioned bonds (the “Bonds”) from Prince William County, Virginia (the “County”), pursuant to the terms and conditions of this Bond Purchase Agreement (this “Agreement”).

The Bonds are to be authorized and issued pursuant to Article VII, Section 10(b) of the Constitution of the Commonwealth of Virginia (the “Commonwealth”), the Public Finance Act of 1991, Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended, and a resolution adopted by the Prince William Board of County Supervisors (the “Board”) on March 17, 2020 (the “Resolution”).

This offer is made subject to the acceptance hereof by the County evidenced by such party’s execution and delivery (manually or by facsimile or electronic (PDF) transmission) of this Agreement (or the signature page) to the Representative or Underwriters’ counsel, at or prior to 5:00 p.m., Eastern Daylight Time, today. If not so accepted, this offer shall expire upon written notice sent by the Representative to the County at any time prior to acceptance. The Bonds are being issued for the purpose of refunding in advance of their maturities certain general obligation bonds of the County as more particularly described in the Official Statement (herein defined).

Capitalized terms used in this Agreement and not otherwise defined shall have the meanings ascribed to them in the Preliminary Official Statement (as defined herein).

1. Offer and Sale of the Bonds; Good Faith Deposit.

(a) On the basis of the representations, warranties, covenants and agreements contained in this Agreement, and in the other agreements referred to herein, and subject to the terms and conditions described in this Agreement, the Underwriters, jointly and severally, agree to purchase the Bonds for the purchase price of \$ _____, representing the par amount of the

Bonds of \$ _____, [plus original issue premium of \$ _____,] less an underwriting discount of \$ _____

The Bonds shall be dated their date of issuance and shall be payable as to principal and interest in the years and amounts and at the rates as shown on Exhibit A.

(b) The Underwriters acknowledge that the County has not authorized or consented to any of the following:

(i) the sale of the Bonds to any purchaser in connection with the initial public offering of the Bonds unless the Underwriters have complied with Rule G-32 of the Municipal Securities Rulemaking Board (the "MSRB");

(ii) the offer or sale of Bonds in any jurisdiction where any such offer or sale would be in violation of the jurisdiction's securities laws;

(iii) making any representations or providing any information to prospective purchasers of the Bonds in connection with the public offering and sale of the Bonds other than the information set forth in the Preliminary Official Statement (as defined herein), the Official Statement and any amendment thereto approved in writing by the County; or

(iv) any actions in connection with the offering and sale of the Bonds in violation of applicable requirements of federal and state securities laws and any applicable requirements of the MSRB or the Financial Industry Regulatory Authority. The Underwriters agree that in their offering of the Bonds they will comply with the applicable rules of the MSRB.

(c) On the date hereof, \$ _____, which amount is the payment in good faith on account of the purchase price of the Bonds (the "Good Faith Deposit"), shall be delivered by wire transfer of immediately available funds from the Underwriters to the account identified by the County. The County does not accept this offer, such Good Faith Deposit shall be immediately returned to the Underwriters by wire transfer to the account designated in writing by the Representative. If the Underwriters fail (other than for a reason permitted herein) to accept and pay for the Bonds on the Closing Date (as defined herein) as herein provided, the amount of such Good Faith Deposit plus any interest earned thereon shall be retained by the County as and for liquidated damages for such failure and for any defaults hereunder on the part of the Underwriters, and such retention shall constitute a full release and discharge of all claims by the County against the Underwriters arising out of the transactions contemplated hereby. The Underwriters and the County understand that in such event the actual damages of the County may be greater or may be less than the Good Faith Deposit. Accordingly, the Underwriters hereby waive any right to claim that the actual damages of the County are less than such sum, and the acceptance of this offer by the County shall constitute a waiver of any right that the County may have to additional damages from the Underwriters. In the event of the County's failure to deliver the Bonds on the Closing Date (as defined herein), or if the County shall be unable to satisfy the conditions to the obligations of the Underwriters contained herein (unless such conditions are waived by the Underwriters), or if the obligations of the Underwriters shall be terminated for any reason permitted herein, the County shall immediately return to the Underwriters the Good Faith Deposit by wire transfer of immediately available funds to the account designated in writing by the Representative.

2. Official Statement and Other Document Distribution.

(a) Prior to the date hereof, the County has provided to the Underwriters a Preliminary Official Statement, dated March __, 2020 (the “Preliminary Official Statement”), that the County deemed final as of its date in accordance with Rule 15c2-12 of the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended (the “SEC Rule”), except for certain permitted omissions in connection with the pricing of the Bonds. The County provided the Underwriters with the opportunity to review such Preliminary Official Statement prior to the execution of this Agreement.

(b) The County will prepare the Official Statement (the “Official Statement”) in final form, including the completion of all information required pursuant to the SEC Rule. The execution of the Official Statement in final form by the Chair of the County’s Board of Supervisors shall be conclusive evidence that the County has deemed it final as of its date. As soon as practicable after the date hereof and, in any event within seven (7) business days of the date hereof, the County shall, so as to enable the Underwriters to comply with the provisions of the SEC Rule, deliver to the Underwriters a sufficient number of copies of the Official Statement incorporating the pricing terms of the Bonds, dated the date hereof together with all supplements and amendments thereto, substantially in the form of the Preliminary Official Statement, with such changes therein as shall have been accepted by the Underwriters, executed on behalf of the County by the Chair of the Board of Supervisors.

(c) At or prior to the Closing Date (as defined herein), the Representative shall file, or cause to be filed, the Official Statement with the MSRB’s Electronic Municipal Market Access System (“EMMA”).

(d) The County hereby authorizes the Underwriters to use the forms or copies of the Resolution, the Continuing Disclosure Agreement (herein defined), and the Official Statement and the information contained therein in connection with the public offering and sale of the Bonds. The County ratifies and confirms its authorization of the distribution and use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with such public offering and sale.

3. Representation of the Underwriters to the County.

The Representative is duly authorized to execute this Agreement on behalf of the Underwriters and has been duly authorized to act hereunder in connection with the issuance of the Bonds.

4. Underwriters not Acting as Agents or Fiduciaries.

(a) The County acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm’s-length commercial transaction between the County and the Underwriters; (ii) in connection with such transaction, the Underwriters are acting solely as principals and not as agents or fiduciaries of the County; (iii) the Underwriters have not assumed a fiduciary responsibility in favor of the County with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of the Underwriters, has advised or is currently advising the County on other matters) nor have they assumed any other obligation to the County except the obligations expressly set forth in this Agreement; (iv) the Underwriters have financial and other interests that differ from those of the County; and (v) the

County has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

5. County's Representations, Warranties, Covenants and Agreements.

The County hereby represents, warrants, covenants and agrees as follows:

(a) The County is (i) duly organized in the county executive form of government as a political subdivision of the Commonwealth of Virginia (the "Commonwealth") and has all power and authority granted to counties so organized under the Constitution and laws of the Commonwealth, and (ii) authorized to enter into and adopt and perform its obligations under the Resolution, this Agreement, the escrow deposit agreement relating to the Refunded Bonds, and the Continuing Disclosure Agreement (collectively, the "County Documents"), to have been performed at or prior to the Closing Date (as defined herein).

(b) The County has complied with all provisions of the Commonwealth's constitution and laws pertaining to the County's adopting or entering into the County Documents and has full power and authority to consummate all transactions contemplated by the County Documents and the Official Statement and any and all other agreements relating thereto to which the County is a party.

(c) At the time of the County's delivery of this Agreement and (unless an event occurs of the nature described in Section 5(i) below) at all subsequent times up to and including the Closing Date (as defined herein), the information contained in the Preliminary Official Statement and the Official Statement, excluding the information under the headings "FINANCIAL ADVISOR" and "UNDERWRITING" and Appendix V, and in any amendment or supplement to the Official Statement that the County may authorize for use with respect to the Bonds is and will be true and correct and does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact necessary to make the statements in such document, in the light of the circumstances under which they were made, not misleading. If the Official Statement is supplemented or amended pursuant to Section 5(i) below, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to Section 5(i) below) at all times subsequent thereto up to and including the Closing Date (as defined herein), the County shall take all steps necessary to ensure that the Official Statement as so supplemented or amended does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) The County's Board of Supervisors has duly adopted and authorized, at one or more public meetings duly called and held at which quorums were present and acting throughout, (i) the distribution and use of the Official Statement, (ii) the adoption, execution, delivery and due performance of the County Documents and any and all such other agreements and documents as may be required to be executed and delivered by the County in order to carry out, give effect to and consummate the transactions contemplated by the County Documents and by the Official Statement, and (iii) the carrying out, giving effect to and consummation of the transactions contemplated by the County Documents and the Official Statement. Upon the Closing Date (as defined herein), the County shall have duly adopted or authorized, executed and delivered each County Document, if applicable and the Official Statement.

(e) To the County's knowledge, except as and to the extent described in the Preliminary Official Statement and the Official Statement, there is no action, proceeding or investigation before or by any court or other public body pending or threatened against or affecting the County or any County officer or employee in an official capacity (or, to the County's knowledge, any basis therefor), wherein an unfavorable decision, ruling or finding would materially and adversely affect (i) the transactions contemplated or described herein or in the Official Statement, or the validity of the County Documents or of any other agreement or instrument to which the County is or is expected to be a party and which is used or contemplated for use in the consummation of the transactions contemplated or described herein or in or by the Official Statement, or (ii) the condition of the County, financial or otherwise.

(f) The County's adoption or execution and delivery of the County Documents and other agreements contemplated by the County Documents and by the Official Statement, and compliance with the provisions thereof, will not constitute on the County's part a material breach of or a default under any existing law, court or administrative regulation, decree or order or any material contract, agreement, loan or other instrument to which the County is subject or by which the County is or may be bound. No event has occurred or is continuing that, with the lapse of time or the giving of notice, or both, would constitute an event of default under any such agreement, including the County Documents.

(g) The County will not take or omit to take any action the taking or omission of which will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as described in the Official Statement and as permitted by the Resolution and which would cause the interest on the Refunded Bonds (as defined in the Official Statement) be includable in the gross income of the recipients thereof for federal or Commonwealth income tax purposes.

(h) The audited financial statements of the County for the fiscal year ended June 30, 2019, set forth as Appendix B to the Official Statement, present fairly the County's financial position as of June 30, 2019, and such statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis. The Official Statement presents fairly the financial information purported to be shown as of the indicated dates. There has been no material adverse change in the financial condition of the County as a whole since June 30, 2019.

(i) If between the date of this Agreement and the date that is 25 days after the "end of the underwriting period," as defined below, any event shall occur that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the County shall promptly notify the Representative. If, in the reasonable opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will supplement or amend the Official Statement in a form and in a manner reasonably satisfactory to the Representative so that the Official Statement will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances existing at such time, not misleading.

The "end of the underwriting period" is the time that is the later of (i) the Closing Date and (ii) the time the Underwriters do not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Representative shall otherwise

advise the County in writing prior to the Closing Date, the County may assume that the “end of the underwriting period” is the Closing Date.

(j) The County is not required to obtain any further consent, approval, authorization or order of any governmental or regulatory authority as a condition precedent to its adoption or authorization, execution and delivery of the County Documents or the Official Statement, or the County’s performance hereunder and thereunder (provided no representation or warranty is expressed as to any action required under federal or state securities or Blue Sky laws in connection with the Underwriters’ offers or sales of the Bonds).

(k) The County agrees to take all reasonable steps as requested to cooperate with the Underwriters and their counsel in order to qualify the Bonds for offering and sale under the securities or “Blue Sky” laws of such jurisdictions of the United States as the Underwriters may request, provided that the County need not consent to jurisdiction or service of process in any jurisdiction other than the Commonwealth.

(l) The County is not now, nor has it been in the past five years, in default in the payment of principal of, premium, if any, or interest on any bonds, notes or other indebtedness or on other obligations for the payment of borrowed money.

(m) Except as otherwise described in the Official Statement, the County has in the past five years complied in all material respects, and shall continue to so comply, with all applicable continuing disclosure requirements of paragraph (b)(5) of the SEC Rule, and will execute and deliver the Continuing Disclosure Agreement substantially in the form attached to the Preliminary Official Statement and comply with the terms thereof.

6. Delivery of Bonds.

At 12:00 noon, Eastern Daylight Time, on ____ , 2020 (such date herein called the “Closing Date”), or at such later time or on such later date as may be mutually agreed upon by the County and the Underwriters, the County shall, subject to the terms and conditions hereof, deliver the Bonds to the Underwriters through the offices of The Depository Trust Company (“DTC”) in New York, New York, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriters shall accept such delivery and pay the purchase price of the Bonds as set forth in paragraph 1 hereof in federal funds (such delivery of and payment for the Bonds herein called the “Closing”). The Closing shall occur at the offices of Norton Rose Fulbright US LLP, Bond Counsel, in Washington, D.C., or such other place as shall have been mutually agreed upon by the County and the Underwriters. The Bonds shall be prepared and delivered as one fully registered certificate for each maturity and will be made available for inspection and checking by the Underwriters not later than the two business days prior to the Closing Date.

7. Conditions to Underwriters’ Obligations.

The Underwriters’ obligations hereunder are subject to the following conditions:

(a) The representations and warranties contained in this Agreement by the County are true and correct today and as of the Closing Date as if made at the Closing Date.

(b) The County Documents and the Official Statement shall have been duly authorized or adopted and, if applicable, executed and delivered in the forms heretofore approved by the Underwriters with only such changes as are mutually agreed on by the County and the Underwriters.

(c) The performance by the County of its obligations and adherence to its covenants hereunder to have been performed at or prior to Closing Date.

(d) There has been no material change in the County's condition (financial or otherwise) between the most recent dates as to which information is given in the Official Statement and the Closing Date, other than as reflected in or contemplated by the Official Statement, and there are at the Closing Date no material transactions or obligations (not in the ordinary course of business) entered into by the County subsequent to the date of the Official Statement, other than as reflected in or contemplated by the Official Statement.

(e) At Closing Date, to the County's knowledge, there shall be no pending or threatened litigation or proceeding of any nature seeking to restrain or enjoin the issuance, sale or delivery of the Bonds, in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution, or the County Documents or contesting in any way the proceedings of the County taken with respect thereto, or contesting in any way the due existence or powers of the County or the title of any of the officials of the County to their respective offices, or opinions of the County Attorney that any such litigation is without merit.

(f) All necessary approvals, whether legal or administrative, have been obtained from such federal, state and local entities or agencies as are appropriate and are required in connection with the issuance and sale of the Bonds.

(g) At the Closing Date, the Underwriters shall have received:

(i) An opinion dated the Closing Date of Norton Rose Fulbright US LLP, Bond Counsel, in substantially the form of Appendix C to the Official Statement.

(ii) An opinion of Michelle R. Robl, Esq., County Attorney, dated the Closing Date and addressed to the Underwriters, to the effect that (A) the County is a political subdivision of the Commonwealth, duly organized and validly existing under the Constitution and laws of the Commonwealth and vested with all the rights, powers and privileges conferred upon it by the Constitution and laws of the Commonwealth, (B) the Resolution was duly adopted by the Board of Supervisors of the County and is in full force and effect, (C) the County has all necessary power and authority (1) to adopt or execute and deliver, as applicable, the County Documents and (2) to consummate all of the actions contemplated by the County Documents, (D) the County Documents have been duly authorized and, if applicable, executed and delivered by the County and constitute valid and legally binding obligations of the County, enforceable (subject to customary exceptions) against the County in accordance with their terms, (E) no further approval, consent or withholding of objection on the part of any regulatory body, federal, Commonwealth or local, is required for the County to execute and deliver and perform its obligations under the County Documents, (F) the adoption by the Board of Supervisors of the Resolution and the execution and delivery by the County of the other County Documents and the consummation by the County of the transactions contemplated by them

are not prohibited by, and do not violate any provision of and will not result in the breach of any law, rule, regulation, judgment, decree, order or other requirement applicable to the County, any ordinance or resolution of the County, or any material contract, indenture or agreement to which the County is a party or by which the County is bound, and have not resulted, and will not result, in the creation or imposition of any lien, encumbrance, mortgage or other similar conflicting ownership or security interest in favor of any third person in or to the County's revenues, assets, properties or funds except as contemplated in the County Documents, and (G) to her knowledge, there is no legal action or other proceeding, or any investigation or inquiry (before any court, agency, arbitrator or otherwise), pending or threatened against the County or any of its officials, in their respective capacities, (1) to restrain or enjoin the issuance, sale or delivery of the Bonds or the application of proceeds of the Bonds as provided in the Official Statement or (2) that may reasonably be expected to have a material and adverse effect upon the due performance by the County of the transactions contemplated by the County Documents and the Official Statement or the validity or enforceability of the Bonds or the County Documents.

(iii) A supplemental opinion of Bond Counsel, dated the Closing Date and in form and substance acceptable to the Underwriters to the effect that

(A) This Agreement has been duly authorized, executed and delivered by the County, and, assuming the due authorization, execution and delivery thereof by the Underwriters, constitutes a valid and binding obligation of the County, enforceable against the County in accordance with its terms and subject to the conditions set forth therein, except as enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, and by principles of equity, whether considered at law or in equity.

(B) Bond Counsel has reviewed those portions of the Official Statement entitled "THE BONDS," except the subsection "No Litigation Respecting the Bonds" and "APPROVAL OF LEGAL PROCEEDINGS." The statements relating to the Bonds and the summaries of documents, statutes, and opinions contained in the sections of the Official Statement referred to above fairly summarize the material provisions of the Bonds and the documents, statutes, and opinions referred to therein; and

(C) The Bonds do not require registration under the Securities Act of 1933, as amended (the "Securities Act").

(iv) An opinion of _____, counsel to the Underwriters, addressed to the Underwriters, substantially to the effect that (1) the Bonds when issued will not be subject to the registration requirements of the Securities Act; (2) based upon their participation and their review of the Official Statement as counsel for the Underwriters and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to their attention causing them to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (except for the

financial and statistical information contained in the Official Statement and the information related DTC and its book-entry only system of registration, as to all of which no view need be expressed); and (3) the Continuing Disclosure Agreement, together with this Agreement, when delivered in connection with the Bonds, will satisfy the requirements contained in the SEC Rule for an undertaking for the benefit of the owners of the Bonds to provide information at the times and in the manner required by such SEC Rule.

(v) Evidence satisfactory to the Underwriters that the Bonds have received public ratings of “Aaa” from Moody’s Investors Service, “AAA” from Fitch Ratings and “AAA” from S&P, and that such ratings are in effect at the Closing Date.

(vi) Certified copies of all relevant proceedings of the Board of Supervisors of the County.

(vii) Original executed or certified copies of the County Documents.

(viii) Signed copies of a certificate or certificates, dated the Closing Date, signed by the County Executive to the effect that (1) the representations and warranties of the County contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date; (2) to his knowledge, the Official Statement does not contain any untrue statement of material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (3) to his knowledge, no litigation is pending against the County or pending against any other entity or person or threatened in any court in any way adversely affecting the legal existence of the County or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or materially and adversely affecting the ability of the County to pay principal and interest on the Bonds, or in any way materially and adversely contesting or affecting the validity or enforceability of the Bonds, the Resolution or this Agreement, or contesting the accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the County or its authority with respect to the County Documents; (4) to his knowledge, no event materially and adversely affecting the County or the transactions contemplated by the Official Statement has occurred since the date of the Official Statement that, in the reasonable opinion of the County, is required to be set forth in an amendment or supplement to the Official Statement (whether or not the Official Statement shall have been amended or supplemented to set forth such event) so that the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in the light of the circumstances under which they are made, not misleading; (5) the County has the full legal right, power and authority to carry out and consummate the transactions contemplated to be carried out by the County by the Official Statement; and (6) the County has complied with all the requirements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date.

(ix) A verification report, dated the Closing Date, of Bingham Arbitrage Rebate Services, Inc. (the “Verification Agent”), in form and substance satisfactory to the Underwriters, confirming the sufficiency of the government securities and any cash deposited in the Escrow Fund to pay the principal of and interest on the Refunded Bonds through and at their respective redemption dates.

(x) Such additional certificates and other documents in such form and substance as the Underwriters, their counsel or Bond Counsel may request to evidence performance of or compliance with the provisions of the County Documents or the Official Statement and the transactions contemplated hereby and thereby, the truth and accuracy as of the Closing Date of the County's representations herein and in the Official Statement, and the County's due performance at or prior to the Closing Date of all agreements then to be performed by the County.

The delivery of the above documents shall be made on the Closing Date, at or prior to the Closing Date, at the offices of Norton Rose Fulbright US LLP, Washington, D.C., or at such other place as the County and the Underwriters may hereafter determine.

8. Underwriters' Right to Cancel and Terminate.

The Underwriters have the right to cancel and terminate their obligations hereunder by written notification from the Representative to the County of the Underwriters' election to do so between today and the Closing Date, if at any time before the Closing Date:

(a) there shall exist any event or circumstance that in the Underwriters' reasonable judgment either makes untrue or incorrect in any material respect any statement or information in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make any statement of material fact therein not misleading in any material respect; or

(b) there shall have occurred (i) an outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war occurs; or (ii) the occurrence of any other calamity or crisis or any change in the financial, political, or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (i) or (ii), in the reasonable judgment of the Underwriters, materially and adversely affects the market price or the marketability of the Bonds; or

(c) there shall be in force a general suspension of trading on the New York Stock Exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of a determination by that Exchange or by an order of the SEC or any other governmental authority having jurisdiction that, in the Underwriters' reasonable judgment, materially and adversely affects the market price or the marketability of the Bonds; or

(d) a general banking moratorium shall have been declared by federal or state authorities having jurisdiction and be in force that, in the Underwriters' reasonable judgment, materially and adversely affects the market for the Bonds; or

(e) legislation shall be enacted or be proposed or actively considered for enactment, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation, or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that the Bonds or any comparable securities of the County, or any obligations of the general character of the Bonds are not exempt from the registration, qualification or other requirements of the Securities Act, or otherwise, or would be in violation of any provision of the federal securities laws; or

(f) there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a change to the net capital requirements of, the Underwriters established by the New York Stock Exchange, the SEC, any other federal or state agency or the Congress of the United States, or by Executive Order; or

(g) a stop order, release, regulation, or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made to the effect that the issuance, offering or sale of the Bonds, including all underlying obligations as contemplated hereby or by the Official Statement, or any County Documents or other documents relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws; or

(h) there shall have been any material adverse change in the affairs of the County that in the Underwriters' reasonable judgment will materially and adversely affect the market price or the marketability of the Bonds; or

(i) there shall have occurred, after the signing hereof, either a financial crisis or a default with respect to the debt obligations of the County or proceedings under the bankruptcy laws of the United States or insolvency laws of the Commonwealth shall have been instituted by the County in either case the effect of which, in the reasonable judgment of the Underwriters, is such as to materially and adversely affect the market price or the marketability of the Bonds; or

(j) there shall have occurred or any notice shall have been given of any intended downgrading, suspension or withdrawal of a public rating by any national rating service to the Bonds, that, in the reasonable opinion of the Underwriters, materially and adversely affects the market price or the marketability for the Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Bonds to be purchased by the Underwriters; or any proceeding shall be pending or threatened by the SEC against the County.

9. Expenses.

The County and the Underwriters acknowledge that the underwriting fee provided for in Section 1 represents compensation and reimbursement to the Underwriters for expenses; provided, however, that nothing in this acknowledgement shall be deemed to make the Underwriters agents of the County.

The Underwriters shall pay their out-of-pocket expenses, including the fees and expenses of Underwriters' counsel (including the cost of performing any blue sky and legal investment surveys), including advertising expenses in connection with a public offering of the Bonds, fees of the CUSIP Bureau, fees for a continuing disclosure compliance review and any fees of the MSRB and any other regulatory fees applicable to the Underwriters.

The County shall pay all expenses and costs to effect the authorization, preparation, execution, delivery and sale of the Bonds, including, without limitation, the fees and expenses of Bond Counsel, rating agency fees and expenses, the fees and expenses of the bond registrar and paying agent, any registration or similar fees for qualifying the Bonds for sale in various jurisdictions chosen by the Underwriters and agreed to by the County and the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Bonds and the Official Statement and all other agreements and documents contemplated by this Agreement.

10. Representations, Warranties, Covenants and Agreements to Survive Delivery.

All of the County's representations, warranties, covenants and agreements in this Agreement shall remain operative and in effect, regardless of any investigation made by the Underwriters on their own behalf, after delivery of and payment for any Bonds or of termination or cancellation of this Agreement.

11. Notices.

(a) Any notice or other communication to be given hereunder may be given by mailing or delivering the same in writing as follows:

If to the Underwriters:

If to the County: Prince William County, Virginia
1 County Complex Court
Prince William, VA 22192
Attention: Director of Finance

12. Miscellaneous.

(a) Governing Law. The parties intend that this Agreement shall be governed by the laws of the Commonwealth of Virginia.

(b) Counterparts. This Agreement may be executed in several counterparts (including separate counterparts), each of which shall be regarded as an original and all of which shall constitute one and the same document.

(c) Parties In Interest. This Agreement will inure to the benefit of and be binding on the County and the Underwriters and their respective successors and assigns, but will not confer any rights on any other person, partnership, association or corporation other than persons, if any, controlling the County and the Underwriters within the meaning of the Securities Act or the Securities Exchange Act of 1934, as amended. The terms "successors" and "assigns" shall not include any purchaser of any Bond from the Underwriters merely because of such purchase.

(d) No Personal Liability. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of a present or future member, officer, employee or agent of the County in such person's individual capacity, and no officer, member, employee or agent of the County shall be liable personally for the performance of any obligation under this Agreement. No recourse shall be had by the Underwriters for any claim based on this Agreement or otherwise against any officer, member, employee or agent of the County in his or her individual capacity, provided such person acts in good faith, all such liabilities, if any, being hereby expressly waived and released by the Underwriters.

(e) Headings. Section headings in this Agreement are a matter of convenience of reference only, and such section headings are not part of this Agreement and shall not be used in the interpretation of any provisions of this Agreement. Terms of any gender used herein shall include the masculine, feminine and neuter.

(f) Waiver of Provisions. Notwithstanding any provision herein to the contrary, the Underwriters, in their sole discretion, may waive the performance of any and all obligations of the County hereunder and the performance of any and all conditions contained herein for the Underwriters' benefit, and the Underwriters' approval when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing signed by an appropriate officer or officers of the Representative, on the Underwriters' behalf, and delivered to the County.

(g) Entire Agreement. This Agreement is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by the parties hereto.

(h) Effectiveness. This Agreement is effective on its acceptance by the County.

Very truly yours,

_____, as
Representative of the Underwriters

By: _____
Title:

Accepted as of the date hereof:

PRINCE WILLIAM COUNTY, VIRGINIA

By: _____
Director of Finance

EXHIBIT A

\$ _____
PRINCE WILLIAM COUNTY, VIRGINIA
[TAXABLE] GENERAL OBLIGATION PUBLIC IMPROVEMENT REFUNDING
BONDS,
SERIES 2020[]

SERIES 2020[] BONDS
RATE AND MATURITY SCHEDULE

| <u>Maturity (August 1)</u> | <u>Amount</u> | <u>Interest Rate</u> |
|--------------------------------|---------------|--------------------------|
| 2021 | \$ | % |
| 2022 | | |
| 2023 | | |
| 2024 | | |
| 2025 | | |
| 2026 | | |
| 2027 | | |
| 2028 | | |
| 2029 | | |
| 2030 | | |
| 2031 | | |
| 2032 | | |
| 2033 | | |
| 2034 | | |
| 2035 | | |

SERIES 2020B BONDS REDEMPTION PROVISIONS

[To come]

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT dated as of May ___, 2020, by and between **Prince William County, Virginia** (the “County”), a political subdivision of the Commonwealth of Virginia, and U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, and any successor thereto, as escrow agent (the “Escrow Agent”),

W I T N E S S E T H:

WHEREAS, the County has issued the following series of bonds pursuant to the provisions of resolutions duly adopted by the Board of Supervisors of the County on June 1, 2010, June 18, 2013, and May 19, 2015, respectively (collectively, the “Bond Resolutions”):

[\$10,670,000 General Obligation Public Improvement Bonds, Series 2010B, dated August 12, 2010, and issued on August 12, 2010, maturing August 1, 2020, to 2030, inclusive, and first subject to optional redemption on August 1, 2020 (the “2010B Bonds”); and

\$28,635,000 General Obligation Public Improvement Bonds, Series 2013, dated July 31, 2015, and issued on July 31, 2015, maturing August 1, 2014, to 2033, inclusive, and first subject to optional redemption on August 1, 2023 (the “2013 Bonds”); and

\$61,805,000 General Obligation Public Improvement Bonds, Series 2015, dated August 13, 2015, and issued on August 13, 2015, maturing August 1, 2016, to 2035, inclusive, and first subject to optional redemption on August 1, 2024 (the “2015 Bonds”); and]

[WHEREAS, the County has determined to refund for debt service savings [the outstanding portion of the August 1, 2025, and August 1, 2030, maturities of the outstanding 2010B Bonds (the “2010B Refunded Bonds”) and to give U.S. Bank National Association as bond registrar and paying agent for the 2010B Refunded Bonds (the “2010B Refunded Bonds Paying Agent”) irrevocable instructions to call the 2010B Refunded Bonds for redemption on August 1, 2020, at the applicable redemption price of 100% of the principal amount of each 2010B Refunded Bond plus accrued interest to the redemption date; and

WHEREAS, the County has determined to refund for debt service savings the outstanding portion of the August 1, 2036, through 2033 inclusive maturities of the outstanding 2013 Bonds (the “2013 Refunded Bonds”) and to give U.S. Bank National Association as bond registrar and paying agent for the 2013 Refunded Bonds (the “2013 Refunded Bonds Paying Agent”) irrevocable instructions to call the 2013 Refunded Bonds for redemption on August 1, 2023, at the applicable redemption price of 100% of the principal amount of each 2013 Refunded Bond plus accrued interest to the redemption date; and

WHEREAS, the County has determined to refund for debt service savings the outstanding portions of the August 1, 2028, August 1, 2029, and August 1, 2031, through 2035

inclusive maturities of the outstanding 2015 Bonds (the “2015 Refunded Bonds” and together with the 2010B Refunded Bonds and the 2013 Refunded Bonds, the “Refunded Bonds”) and to give U.S. Bank National Association as bond registrar and paying agent for the 2015 Refunded Bonds (the “2015 Refunded Bonds Paying Agent” and together with the 2010B Refunded Bonds Paying Agent and the 2013 Refunded Bonds Paying Agent, the “Refunded Bonds Paying Agent”) irrevocable instructions to call the 2015 Refunded Bonds for redemption on August 1, 2024, at the applicable redemption price of 100% of the principal amount of each 2015 Refunded Bond plus accrued interest to the redemption date; and]

WHEREAS, the County has deposited with the Escrow Agent \$_____ (the “Deposit”) derived from a portion of the proceeds of the \$_____ Prince William County, Virginia, [Taxable] Public Improvement Refunding Bonds, Series 2020[] (the “Refunding Bonds”), and has made arrangements for and has directed the Escrow Agent to purchase from the Deposit the securities listed in Appendix A (the “Escrow Securities”), that, without consideration of any reinvestment of the maturing principal and interest on the Escrow Securities, will provide sufficient moneys to enable the Escrow Agent to pay to the registered owners of the Refunded Bonds, on behalf of the County and the Refunded Bonds Paying Agent, to the registered owners, on behalf of the County and the Refunded Bonds Paying Agent, the Refunded Bonds as follows:

- (i) [to pay (a) the principal of the 2010B Refunded Bonds on August 1, 2020 (the “2010B Refunded Bonds Redemption Date”) and (b) when due and payable the interest to accrue on the 2010B Refunded Bonds to and including the 2010B Refunded Bonds Redemption Date all as set forth in Appendix B-1; and
- (ii) to pay (a) the principal of the 2013 Refunded Bonds on August 1, 2023 (the “2013 Refunded Bonds Redemption Date”) and (b) when due and payable the interest to accrue on the 2013 Refunded Bonds to and including the 2013 Refunded Bonds Redemption Date all as set forth in Appendix B-2; and
- (iii) to pay (a) the principal of the 2015 Refunded Bonds on August 1, 2024 (the “2015 Refunded Bonds Redemption Date”) and (b) when due and payable the interest to accrue on the 2015 Refunded Bonds to and including the 2015 Refunded Bonds Redemption Date all as set forth in Appendix B-3; and]

WHEREAS, in order to insure that the procedures required for the redemption of the Refunded Bonds will be followed, the County and the Escrow Agent have agreed to enter into this Agreement;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. **Receipt of Verification Report.** Receipt of a true and correct copy of the verification report (Appendix E to this Agreement) of _____, dated May ____, 2020 (the “Verification Report”), is hereby acknowledged by the Escrow Agent and the County.
2. **Creation of and Deposits to Escrow Fund.** There is hereby created and established with the Escrow Agent a special, segregated and irrevocable escrow fund, designated the “Prince William County [Taxable] Public Improvement Refunding Bonds 2020B Escrow

Fund” (the “Escrow Fund”), to be held in the custody of the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds, and separate and apart from other funds of the County and the Escrow Agent. The Escrow Agent hereby accepts the Escrow Fund and acknowledges the receipt of, and deposit to the credit of the Escrow Fund, the Deposit, a portion of which has been or is to be used to purchase the Escrow Securities listed in Appendix A.

3. **Investment of Escrow Fund.** The Escrow Agent is hereby directed to and shall on the date hereof it will use \$ _____ of the Deposit to purchase the Escrow Securities, described in Appendix A, in the principal amount of \$ _____ at the respective purchase prices indicated in Appendix A and credit such Escrow Securities to the Escrow Fund. The Escrow Agent further is hereby directed to and shall hold \$ ___ of the Deposit uninvested.

4. **Sufficiency Representation.** (a) In sole reliance upon the Verification Report, the County represents and warrants that the interest on and the maturing principal amounts of the Escrow Securities in accordance with their terms (without consideration of any reinvestment of such maturing principal and interest) are sufficient to assure that moneys will be available to the Escrow Agent in the amounts and on the dates required to pay (i) the principal of the Refunded Bonds on their respective [2010B Refunded Bonds Redemption Date, 2013 Refunded Bonds Redemption Date and 2015 Refunded Bonds Redemption Date (collectively, the “Redemption Dates”)] and (ii) when due and payable, the interest to accrue on the Refunded Bonds, to the respective Redemption Dates, all as described in Appendices B-1, B-2 and B-3. If the Escrow Securities (hereinafter defined) shall be insufficient to make such payments as they become due and payable, the County shall, from available moneys, timely pay to the Escrow Agent for deposit to the Escrow Fund such additional amounts as may be required to meet fully the amount so due and payable. Notice of any insufficiency in the Escrow Fund shall be given by the Escrow Agent to the County as promptly as possible, but the Escrow Agent shall in no manner be responsible for the County’s failure to make any payments to the Escrow Fund.

(b) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the Escrow Securities and the Deposit to meet the payment requirements of the Refunded Bonds, nor shall the Escrow Agent be liable for any deficiencies in the amounts necessary to meet the payment requirements.

5. **Escrow Fund.** The Escrow Agent shall hold the cash and the book-entry credits of the Escrow Securities in the Escrow Fund at all times as a special and separate escrow fund for the benefit of the holders of the Refunded Bonds, wholly segregated from other funds and securities on deposit with it, shall never commingle the Escrow Securities with other funds or securities owned or held by it, and shall never at any time use, loan, or borrow the same in any way other than as provided in this Agreement. The Escrow Fund is hereby irrevocably pledged to the payment of the Refunded Bonds in the amounts and on the dates set forth in Appendices B-1, B-2 and B-3. Nothing herein contained shall be construed as requiring the Escrow Agent to keep the identical money, or any part thereof, in the Escrow Fund if it is impractical, but money of an equal amount, except to the extent represented by the Escrow Securities, must always be maintained on deposit in the Escrow Fund as an escrow fund held by the Escrow Agent; and a special account for the Escrow Fund evidencing such holdings shall at all times, until the termination of this Agreement in accordance with Paragraph 23 hereof, be maintained on the

books of the Escrow Agent, together with the Escrow Securities so purchased and any cash on deposit therein.

6. **Investment Income.** (a) The Escrow Agent shall from time to time collect and receive the interest accruing and payable on the Securities and any Substituted Escrow Securities (as defined in Paragraph 7(b)) (collectively, the “Escrow Securities”) and the maturing principal amounts of the Escrow Securities as the same become due, and credit the same to the Escrow Fund, so that the interest on and proceeds of the Escrow Securities, as the same become due, will be available to meet the payment requirements of the Refunded Bonds, as shown in Appendices B-1, B-2 and B-3 to this Agreement.

(b) The County, in its capacity as the Refunded Bonds Paying Agent, hereby irrevocably instructs the Escrow Agent to apply the principal and interest received from the Escrow Securities to the payment, for the account of the County, of the interest and premium on and principal of the Refunded Bonds. The Escrow Agent shall make such payments directly to The Depository Trust Company (“DTC”) for Cede & Co., as registered owner of the Refunded Bonds and the partnership nominee of DTC, in the amounts and at the times specified within Appendices B-1, B-2 and B-3. Specific wire instructions for these payments on the Refunded Bonds are provided below:

Wire Instructions for Redemption Payments:

JP Morgan Chase Bank
4 New York Plaza- 15th Floor
ABA 021 000 021
New York NY 10004
For Credit of A/C Depository Trust Company
Redemption Account — Principal _____
Interest _____

No further direction will be required by the Escrow Agent upon receipt of this wire transfer information.

7. **Reinvestment; Substitution.** (a) Except as otherwise provided in this Paragraph 7, neither the County nor the Escrow Agent shall otherwise invest or reinvest any money in the Escrow Fund.

(b) Upon the prior written request of the County and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer or otherwise dispose of, or request the redemption of Escrow Securities (or any previously acquired Substituted Escrow Securities) as shall be specified in such request by the County and shall substitute for such Escrow Securities (or Substituted Escrow Securities) direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America designated by the County in such written request (the “Substituted Escrow Securities”). The Escrow Agent shall purchase the Substituted Escrow Securities with the proceeds derived from the sale, transfer, disposition or redemption of the Escrow Securities (or previously acquired Substituted Escrow Securities) and moneys, if any, provided by the County. No

substitution for the Escrow Securities (or previously acquired Substituted Escrow Securities) shall be made by the Escrow Agent unless:

(i) the Escrow Agent shall have received the opinion of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel, or other nationally recognized bond counsel, designated by the County, stating that such substitution will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds or on the Refunding Bonds and that such substitution is permitted by this Agreement; and

(ii) the Escrow Agent shall have received a verification report from an independent certified public accountant or firm of independent accountants/financial consultants selected by the County, stating that the principal of and interest on the Substituted Escrow Securities, together with any cash or Escrow Securities (or any previously acquired Substituted Escrow Securities) in the Escrow Fund for which substitution is not then being made, will be fully sufficient, without reinvestment, to meet the payment requirements with respect to the Refunded Bonds.

(c) Investments in mutual funds or unit investment trusts are prohibited.

8. **No Liability.** The Escrow Agent shall not be liable or responsible for any loss resulting from any investment or reinvestment made in the Escrow Securities.

9. **Inviolability of Escrow Fund.** In the event of the Escrow Agent's failure to account for any funds or securities received by it for the County's account under this Agreement, such funds and securities shall be and remain the property of the Escrow Fund, and the County and the holders of the Refunded Bonds shall be entitled to such preferred claims, and shall have such first liens, upon such funds and securities as are enjoyed by a trust beneficiary. If for any reason particular Escrow Securities or moneys cannot be identified, the Escrow Agent shall proceed as promptly as possible to make such identification. The moneys and securities received by the Escrow Agent under this Agreement shall not be considered banking deposits by the County, and the County shall have no right or title with respect thereto. The moneys and securities so received by the Escrow Agent as Escrow Agent under this Agreement shall not be subject to checks or drafts drawn by the County.

10. **Statements.** Semiannually on or before the 30th day of each June or December, commencing with June 30, 2020, so long as the Escrow Fund is maintained under this Agreement, the Escrow Agent shall forward to the County, addressed to the attention of the Director of the Department of Finance, a statement in detail of the Escrow Securities, and the income and maturities thereof, held and withdrawals of money from the Escrow Fund for the period from the last statement furnished pursuant to this paragraph.

11. **Notice of Establishment of Escrow Fund; Redemption.** (a) The County directs the Escrow Agent, and the Escrow Agent agrees, to cause the notice of the establishment of the Escrow Fund and of the deposit of the Deposit and Escrow Securities to the Escrow Fund to be sent by certified mail, postage prepaid to the registered owners of the Refunded Bonds, to The Electronic Municipal Market Access system administered by the Municipal Securities

Rulemaking Board (“EMMA”) within five (5) days after the date of this Agreement, such notices to be substantially in the forms set forth in Appendices C-1, C-2 and C-3.

(b) [(1) The County hereby specifically and irrevocably elects to redeem on the 2010B Refunded Bonds Redemption Date the 2010B Refunded Bonds at the principal amount of each 2010B Refunded Bond plus accrued interest to the 2010B Refunded Bonds Redemption Date, as set forth in Appendix B-1.

(2) The County hereby specifically and irrevocably elects to redeem on the 2013 Refunded Bonds Redemption Date the 2013 Refunded Bonds at the principal amount of each 2013 Refunded Bond plus accrued interest to the 2013 Refunded Bonds Redemption Date, as set forth in Appendix B-2.

(3) The County hereby specifically and irrevocably elects to redeem on the 2015 Refunded Bonds Redemption Date the 2015 Refunded Bonds at the principal amount of each 2015 Refunded Bond plus accrued interest to the 2015 Refunded Bonds Redemption Date, as set forth in Appendix B-3.]

(c) The County directs the Escrow Agent, and the Escrow Agent agrees, to cause the notices of redemption, to be sent by certified mail, postage prepaid to the registered owners of the Refunded Bonds at least 30 but not more than 60 days prior to the applicable Redemption Dates. The County agrees to take all other steps necessary for the redemption thereof, as provided in and in accordance with the applicable provisions of the Bond Resolutions. Notices of such redemptions shall be in substantially the forms set forth in Appendices D-1, D-2 and D-3.

The Escrow Agent shall also take the following actions with respect to such notice of redemption:

(d) Not less than thirty-five (35) days prior to the date of redemption, notice of such redemption shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission or (iii) through EMMA and the following securities depository at the address and transmission number given, or such other address or transmission number as may have been delivered in writing to the Escrow Agent for such purpose not later than the close of business on the day before such notice is given:

The Depository Trust Company
55 Water Street
New York, New York 10041
Telephone: (212) 855-1000
Facsimile transmission:
(212) 855-7232
(212) 855-7233

12. **Duties of Escrow Agent.** The Escrow Agent shall have no responsibility to any person in connection herewith except the responsibilities specifically provided herein, no additional covenants or obligations shall be read into this Agreement against the Escrow Agent and the Escrow Agent shall not be responsible for anything done or omitted to be done by it except for its own negligence or willful misconduct in the performance of any obligation

imposed on it hereunder. The Escrow Agent, except as herein specifically provided for, is not a party to, nor is it bound by nor need it give consideration to the terms or provisions of any other agreement or undertaking between the County and other persons, and the Escrow Agent assents to and is to give consideration only to the terms and provisions of this Agreement. Unless it is specifically provided, the Escrow Agent has no duty to determine or to inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the County with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund and to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, to exercise reasonable care and diligence, and in the event of material error in making such determination the Escrow Agent shall be liable for its own willful misconduct and its negligence. Notwithstanding any provision herein to the contrary, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. In determining the occurrence of any such event or contingency, the Escrow Agent may request from the County or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency and, in this connection, may inquire and consult with the County, among others, at any time. The Escrow Agent shall be entitled to conclusively rely upon such evidence that it in good faith believes to be genuine. The Escrow Agent may consult with legal counsel, and the opinion of such counsel shall be full and complete authority and protection to the Escrow Agent as to any action taken or omitted by it in good faith and in accordance with such opinion. Any payment obligation of the Escrow Agent hereunder shall be paid from, and is limited to funds available, established and maintained hereunder, and the Escrow Agent shall not be required to expend its own funds for the performance of its duties under this Agreement. The Escrow Agent may act through its agents and attorneys. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

13. **Benefits of Agreement.** This Agreement is between the County and the Escrow Agent only, and, in connection herewith, the Escrow Agent is authorized by the County to conclusively rely upon the representations of the County in connection with this Agreement, and the Escrow Agent shall not be liable to any person in any manner for such reliance. The duties of the Escrow Agent hereunder shall only be to the County and the owners of the Refunded Bonds. Neither the County nor the Escrow Agent shall assign or transfer or attempt to assign or transfer its interest hereunder or any part thereof. Any such assignment or attempted assignment shall be in direct conflict with this Agreement and shall be void and without effect.

14. **Reliance on Instruments.** The Escrow Agent may conclusively rely and act upon any written notice, request, waiver, consent, certificate, receipt, authorization, power of attorney, or other instrument or document that the Escrow Agent in good faith believes to be genuine and to be what it purports to be.

15. **Notices.** Any notice, authorization, request, or demand required or permitted to be given between the parties hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid, addressed as follows:

to the County:

Prince William Board of County Supervisors, Virginia
1 County Complex Court
Prince William, Virginia 22192

Attention: County Executive

With a copy to:

Department of Finance, Prince William County
1 County Complex Court
Prince William, Virginia 22192

Attention: Director

to the Escrow Agent:

U.S. Bank National Association
[1021 East Cary Street, Suite 1850]
Richmond, VA 23219

16. **Business Days.** Whenever under the terms of this Agreement the performance date of any act to be done hereunder shall fall on a day that is not a legal banking day in Richmond, Virginia, and upon which the Escrow Agent is not open for business, the performance thereof on the next succeeding business day of the Escrow Agent shall be deemed to be in full compliance with this Agreement. Whenever time is referred to in this Agreement, it shall be the time recognized by the Escrow Agent in the ordinary conduct of its respective normal business transactions.

17. **Agreement Binding Upon Assigns.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective personal representatives, successors, and assigns.

18. **Fee of Escrow Agent.** The compensation for the Escrow Agent under this Agreement has been agreed upon by the Escrow Agent and the County and is to be paid from funds other than the Deposit and Escrow Securities and the income thereon.

Any legal expenses, or any costs, charges or expenses associated with the mailing of any notice with respect to the Refunded Bonds under this Agreement of the Escrow Agent, shall be paid by the County solely from funds of the County, and in no event shall such costs, charges or

expenses give rise to any claim against the Escrow Fund, the moneys of which are solely for the benefit of the holders of the Refunded Bonds. If the Escrow Agent is required by a governmental agency or court proceeding initiated by a third party to undertake efforts beyond that which is set forth herein but related thereto (other than due to the Escrow Agent's negligence or willful misconduct), the Escrow Agent shall notify the County of the same in writing and the County shall, subject to the appropriation by its Board of Supervisors, promptly pay the Escrow Agent for such extraordinary fees, costs and expenses reasonably and necessarily incurred in connection therewith.

19. **Resignation of Escrow Agent.** The Escrow Agent may resign and thereby become discharged from the duties hereby created, by notice in writing given to the County not less than sixty (60) days before such resignation shall take effect. The Escrow Agent shall continue to serve as Escrow Agent until a successor is appointed. Such resignation shall take effect immediately, however, upon the appointment of a new Escrow Agent hereunder, if such new Escrow Agent shall be appointed before the time limited by such notice and such new Escrow Agent shall have accepted the trusts hereof.

20. **Removal of Escrow Agent.** The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, executed by the owners of not less than a majority in aggregate principal amount of the Refunded Bonds then outstanding, such instruments to be filed with the County. A photographic copy of any instrument filed with the County under the provisions of this paragraph shall be delivered by the County to the Escrow Agent.

The Escrow Agent may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any material provisions of this Agreement with respect to the duties and obligations of the Escrow Agent, by any court of competent jurisdiction upon the application of the County or the owners of not less than a majority in aggregate principal amount of the Refunded Bonds then outstanding.

21. **Appointment of Successor Escrow Agent.** If at any time hereafter the Escrow Agent shall resign, be removed, be dissolved or otherwise become incapable of acting, or shall be taken over by any governmental official, agency, department or board, the position of Escrow Agent shall thereupon become vacant. If the position of Escrow Agent shall become vacant for any of the foregoing reasons or for any other reason, the County shall appoint an Escrow Agent to fill such vacancy. The County shall notify the registered owners of any such appointment made by it by mail, postage prepaid within sixty (60) days of such appointment.

At any time after such appointment by the County, and prior to the termination of this Agreement in accordance with Paragraph 23, the owners of a majority in aggregate principal amount of the Refunded Bonds then outstanding, by an instrument or concurrent instruments in writing, executed and filed with the County, may appoint a successor Escrow Agent that shall supersede any Escrow Agent theretofore appointed by the County. Photographic copies of each such instrument shall be delivered promptly by the County to the predecessor Escrow Agent and to the Escrow Agent so appointed by the owners of the Refunded Bonds.

If no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within sixty (60) days of the notice of resignation or removal of the Escrow Agent has been delivered, the owner of any Refunded Bond or the retiring Escrow Agent may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Escrow Agent.

If the Escrow Agent shall merge into another banking or other similar institution with trust powers, or if substantially all of the assets of the Escrow Agent shall otherwise be acquired by any such banking or other similar institution, the surviving or acquiring institution shall be substituted for the Escrow Agent as Escrow Agent and shall succeed to the rights and obligations of the Escrow Agent hereunder without the necessity of execution of any instrument or the taking of any other action by the Escrow Agent, such surviving or acquiring bank, or the County and without giving any notice, by publication or otherwise, to anyone other than the County.

22. **Amendment.** This Agreement shall be irrevocable and may not be amended, without the consent of all the owners of the Refunded Bonds then unpaid; provided, however, that this Agreement may be amended, without the consent of the owners of unpaid Refunded Bonds, for the following purposes:

- (a) ambiguities;
- (b) the insertion of unintentionally omitted material or the correction of mistakes or clarification of the pledging of additional security to the Refunded Bonds;
- (c) the deposit of additional cash or securities to the Escrow Fund; or
- (d) any other amendment that a rating agency then rating the Refunded Bonds has confirmed in writing will not result in a reduction in its respective ratings on the Refunded Bonds.

The Escrow Agent shall be entitled to receive and conclusively rely upon an opinion of counsel to the effect that any such amendment is authorized or permitted by this Agreement.

23. **Termination.** This Agreement shall terminate on the date upon which the Escrow Agent makes the final payment to DTC in an amount sufficient to pay the balance of the principal of and interest coming due on the Refunded Bonds. Upon the final payment of all of the Refunded Bonds and except as otherwise requested in writing by the County, the Escrow Agent shall sell or redeem any Escrow Securities remaining in the Escrow Fund and shall remit to the County the proceeds thereof, together with all other money, if any, then remaining in the Escrow Fund.

24. **Subject to Appropriation.** The obligations of the County to make any payments under this Agreement other than from funds in the Escrow Fund are contingent upon the appropriation for each fiscal year by the Board of Supervisors of the County of funds from which such payments can be made. The County shall not be liable for any amounts that may be payable pursuant to this Agreement 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 Agreement shall be deemed to obligate the Board of Supervisors of the County to appropriate any sums on account of any payments to be made by the County hereunder.

25. **Identifying Information.** 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. For a non-individual person such as a business entity, a charity, a Trust or other legal entity the Escrow Agent will ask for documentation to verify its formation and existence as a legal entity. The Escrow Agent may also ask to see financial statements, licenses, and identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

26. **Severability.** If any one or more of the covenants or agreements provided in this Agreement on the part of the County or the Escrow Agent to be performed are determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

27. **Counterparts.** This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

28. **Governing Law.** This Agreement shall be governed by the domestic law of the Commonwealth of Virginia without regard to conflict of law principles.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers as of the date first above written.

Prince William County, Virginia

By: _____
Name:
Title:

U.S. Bank National Association

By: _____
Name: Stephanie E. Haysley
Title: Vice President

APPENDIX B-1

**Prince William County, Virginia
General Obligation Public Improvement Bonds,
Series 2010B**

Pay to the registered owner of the 2010B Refunded Bonds, the amounts shown in the Total Debt Service column on the corresponding dates.

Schedule of Debt Service

| <u>Period Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|----------------------|------------------|-----------------|---------------------------|
| 08/01/2020 | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Total | \$0.00 | \$0.00 | \$0.00 |

APPENDIX B-2

**Prince William County, Virginia
General Obligation Public Improvement Bonds,
Series 2013**

Pay to the registered owner of the 2013 Refunded Bonds, the amounts shown in the Total Debt Service column on the corresponding dates.

Schedule of Debt Service

| <u>Period Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|----------------------|------------------|-----------------|---------------------------|
| 08/01/2020 | 0.00 | | |
| 02/01/2021 | 0.00 | | |
| 08/01/2021 | 0.00 | | |
| 02/01/2022 | 0.00 | | |
| 08/01/2022 | 0.00 | | |
| 02/01/2023 | 0.00 | | |
| 08/01/2023 | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Total | \$0.00 | \$0.00 | \$0.00 |

APPENDIX B-3

**Prince William County, Virginia
 General Obligation Public Improvement Bonds,
 Series 2015**

Pay to the registered owner of the 2015 Refunded Bonds, the amounts shown in the Total Debt Service column on the corresponding dates.

Schedule of Debt Service

| <u>Period Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|----------------------|------------------|-----------------|---------------------------|
| 08/01/2020 | 0.00 | | |
| 02/01/2021 | 0.00 | | |
| 08/01/2021 | 0.00 | | |
| 02/01/2022 | 0.00 | | |
| 08/01/2022 | 0.00 | | |
| 02/01/2023 | 0.00 | | |
| 08/01/2023 | 0.00 | | |
| 02/01/2024 | 0.00 | | |
| 08/01/2024 | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Total | \$0.00 | \$0.00 | \$0.00 |

APPENDIX C-1

**NOTICE OF DEFEASANCE
 AND ESTABLISHMENT OF ESCROW FUND**

**NOTICE TO OWNERS OF
 Prince William County, Virginia General Obligation Public Improvement Bonds Series
 2010B, Dated August 12, 2010**

NOTICE IS HEREBY GIVEN to the owners of the Prince William County, Virginia General Obligation Public Improvement Bonds described below (the “Refunded Bonds”), that there has been deposited, in trust, with U.S. Bank National Association, as escrow agent (the “Escrow Agent”), United States Treasury obligations and cash in an amount that, together with interest thereon, will provide for the payment in full of the interest on the Refunded Bonds to their earliest redemption date, as set forth below, and the principal amount and applicable redemption premium on the Refunded Bonds on their redemption date.

REFUNDED BONDS

Redemption Date: August 1, 2020

| <u>Maturity Date</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Redemption Price</u> | <u>CUSIP Numbers¹</u> |
|--------------------------|-----------------------------|----------------------|-----------------------------|----------------------------------|
| August 1, 2025 | \$4,280,000 | 4.283% | 100% | |
| August 1, 2030 | 4,850,000 | 5.308 | 100 | |

This is not a notice of redemption. The Escrow Agent for the Refunded Bonds has been given irrevocable instructions to call the applicable Refunded Bonds, and has been directed to give notice of the redemption not more than sixty (60), and at least thirty (30), days before the respective redemption dates of the Refunded Bonds. The principal on all the Refunded Bonds will be payable at the office of U.S. Bank National Association, as the Refunded Bonds Paying Agent.

Prince William County, Virginia

Dated: May __, 2020

¹The County shall not be responsible for the accuracy of the CUSIP numbers provided above. The CUSIP numbers are provided solely for the convenience of bondholders. This column indicates the CUSIP numbers that were assigned upon the original issuance of the Refunded Bonds and does not reflect subsequent changes, if any.

APPENDIX C-2

**NOTICE OF DEFEASANCE
 AND ESTABLISHMENT OF ESCROW FUND**

**NOTICE TO OWNERS OF
 Prince William County, Virginia General Obligation Public Improvement Bonds Series
 2013, Dated July 31, 2013**

NOTICE IS HEREBY GIVEN to the owners of the Prince William County, Virginia General Obligation Public Improvement Bonds described below (the “Refunded Bonds”), that there has been deposited, in trust, with U.S. Bank National Association, as escrow agent (the “Escrow Agent”), United States Treasury obligations and cash in an amount that, together with interest thereon, will provide for the payment in full of the interest on the Refunded Bonds to their earliest redemption date, as set forth below, and the principal amount and applicable redemption premium on the Refunded Bonds on their redemption date.

REFUNDED BONDS

Redemption Date: August 1, 2023

| <u>Maturity Date</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Redemption Price</u> | <u>CUSIP Number¹</u> |
|--------------------------|-------------------------|----------------------|-----------------------------|-------------------------------------|
| August 1, 2026 | \$1,430,000 | 4% | 100% | |
| August 1, 2027 | 1,430,000 | 3.625% | 100% | |
| August 1, 2028 | 1,430,000 | 4.5% | 100% | |
| August 1, 2029 | 1,430,000 | 4.5% | 100% | |
| August 1, 2030 | 1,430,000 | 4.5% | 100% | |
| August 1, 2031 | 1,430,000 | 4% | 100% | |
| August 1, 2032 | 1,430,000 | 4.5 | 100% | |
| August 1, 2033 | 1,430,000 | 4.5 | 100% | |

This is not a notice of redemption. The Escrow Agent for the Refunded Bonds has been given irrevocable instructions to call the applicable Refunded Bonds, and has been directed to give notice of the redemption not more than sixty (60), and at least thirty (30), days before the respective redemption dates of the Refunded Bonds. The principal on all the Refunded Bonds will be payable at the office of U.S. Bank National Association as the Refunded Bonds Paying Agent.

Prince William County, Virginia

Dated: May __, 2020

¹The County shall not be responsible for the accuracy of the CUSIP numbers provided above. The CUSIP numbers are provided solely for the convenience of bondholders. This column indicates the CUSIP numbers that were assigned upon the original issuance of the Refunded Bonds and does not reflect subsequent changes, if any.

APPENDIX C-3

**NOTICE OF DEFEASANCE
 AND ESTABLISHMENT OF ESCROW FUND**

**NOTICE TO OWNERS OF
 Prince William County, Virginia General Obligation Public Improvement Bonds Series
 2015, Dated August 13, 2015**

NOTICE IS HEREBY GIVEN to the owners of the Prince William County, Virginia General Obligation Public Improvement Bonds described below (the “Refunded Bonds”), that there has been deposited, in trust, with U.S. Bank National Association, as escrow agent (the “Escrow Agent”), United States Treasury obligations and cash in an amount that, together with interest thereon, will provide for the payment in full of the interest on the Refunded Bonds to their earliest redemption date, as set forth below, and the principal amount and applicable redemption premium on the Refunded Bonds on their redemption date.

REFUNDED BONDS

Redemption Date: August 1, 2024

| <u>Maturity Date</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Redemption Price</u> | <u>CUSIP Number¹</u> |
|----------------------|-------------------------|----------------------|-------------------------|---------------------------------|
| August 1, 2028 | \$3,090,000 | 4% | 100% | |
| August 1, 2029 | 3,090,000 | 4 | 100% | |
| August 1, 2031 | 3,090,000 | 3.5 | 100% | |
| August 1, 2032 | 3,090,000 | 3.5 | 100% | |
| August 1, 2033 | 3,090,000 | 3.5 | 100% | |
| August 1, 2034 | 3,090,000 | 3.75 | 100% | |
| August 1, 2035 | 3,090,000 | 3.75 | 100% | |

This is not a notice of redemption. The Escrow Agent for the Refunded Bonds has been given irrevocable instructions to call the applicable Refunded Bonds, and has been directed to give notice of the redemption not more than sixty (60), and at least thirty (30), days before the respective redemption dates of the Refunded Bonds. The principal on all the Refunded Bonds will be payable at the office of U.S. Bank National Association as the Refunded Bonds Paying Agent.

Prince William County, Virginia

Dated: May __, 2020

¹The County shall not be responsible for the accuracy of the CUSIP numbers provided above. The CUSIP numbers are provided solely for the convenience of bondholders. This column indicates the CUSIP numbers that were assigned upon the original issuance of the Refunded Bonds and does not reflect subsequent changes, if any.

APPENDIX D-1

NOTICE OF REDEMPTION

Prince William County, Virginia

PUBLIC IMPROVEMENT AND REFUNDING BONDS, SERIES 2010B, Dated August 12, 2010, and Maturing August 1, of each of the years 2020, 2025 and 2030

NOTICE IS HEREBY GIVEN to the owners of the following outstanding Prince William County, Virginia General Obligation Public Improvement Bonds, Series 2010B (the “Refunded Bonds”), that such Bonds shall be redeemed on the date at the redemption price (expressed as a percentage of the principal amount of such Bonds) referred to below together with the interest accrued thereon to the redemption date:

REFUNDED BONDS

Redemption Date: August 1, 2020

| <u>Maturity Date</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Redemption Price</u> | <u>CUSIP Numbers¹</u> |
|----------------------|-------------------------|----------------------|-------------------------|----------------------------------|
| August 1, 2025 | \$4,280,000 | 4.283% | 100% | |
| August 1, 2030 | 4,850,000 | 5.308 | 100 | |

On their Redemption Date, the Refunded Bonds shall become due and payable at their Redemption Price (together with the interest accrued thereon to the Redemption Date), interest on the Refunded Bonds shall cease to accrue, and from and after the Redemption Date the owners shall have no rights in respect thereof except to receive payment of the Redemption Price plus accrued interest to the Redemption Date.

Payment of the Redemption Price will be made upon presentation and surrender of the Refunded Bonds, on or after August 1, 2020, at the office of the Director, as provided below.

The Refunded Bonds should be presented for payment as follows:

If mailed:

U.S. Bank National Association

Attention: _____

If hand delivered:

U.S. Bank National Association

Attention: _____

¹The County shall not be responsible for the accuracy of the CUSIP numbers provided above. The CUSIP numbers are provided solely for the convenience of bondholders. This column indicates the CUSIP numbers that were assigned upon the original issuance of the Refunded Bonds and does not reflect subsequent changes, if any.

If bonds are presented by mail, the manner of shipment of bonds is at the bondholder's discretion; however, transmittal by insured, registered mail is suggested.

Under current federal law, a paying agent making payments of principal and interest on municipal securities may be obligated to withhold tax from the remittances to registered owners who are not "exempt recipients" and who fail to furnish the paying agent with a valid Taxpayer Identification Number. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Registered owners of the Refunded Bonds who wish to avoid the imposition of this tax should submit certified Taxpayer Identification Numbers when presenting their Refunded Bonds for collection.

Prince William County, Virginia

Dated: June __, 2020

APPENDIX D-2

NOTICE OF REDEMPTION

Prince William County, Virginia

PUBLIC IMPROVEMENT BONDS, SERIES 2013, Dated July 31, 2013, and Maturing August 1, 2014 through 2033

NOTICE IS HEREBY GIVEN to the owners of the following outstanding Prince William County, Virginia General Obligation Public Improvement Bonds, Series 2013 (the “Refunded Bonds”), that such Bonds shall be redeemed on the date at the redemption price (expressed as a percentage of the principal amount of such Bonds) referred to below together with the interest accrued thereon to the redemption date:

REFUNDED BONDS

Redemption Date: August 1, 2023

| <u>Maturity Date</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Redemption Price</u> | <u>CUSIP Number¹</u> |
|----------------------|-------------------------|----------------------|-------------------------|---------------------------------|
| August 1, 2026 | \$1,430,000 | 4% | 100% | |
| August 1, 2027 | 1,430,000 | 3.625% | 100% | |
| August 1, 2028 | 1,430,000 | 4.5% | 100% | |
| August 1, 2029 | 1,430,000 | 4.5% | 100% | |
| August 1, 2030 | 1,430,000 | 4.5% | 100% | |
| August 1, 2031 | 1,430,000 | 4% | 100% | |
| August 1, 2032 | 1,430,000 | 4.5 | 100% | |
| August 1, 2033 | 1,430,000 | 4.5 | 100% | |

On their Redemption Date, the Refunded Bonds shall become due and payable at their Redemption Price (together with the interest accrued thereon to the Redemption Date), interest on the Refunded Bonds shall cease to accrue, and from and after the Redemption Date the owners shall have no rights in respect thereof except to receive payment of the Redemption Price plus accrued interest to the Redemption Date.

Payment of the Redemption Price will be made upon presentation and surrender of the Refunded Bonds, on or after August 1, 2023, at the office of the Director, as provided below.

The Refunded Bonds should be presented for payment as follows:

¹The County shall not be responsible for the accuracy of the CUSIP numbers provided above. The CUSIP numbers are provided solely for the convenience of bondholders. This column indicates the CUSIP numbers that were assigned upon the original issuance of the Refunded Bonds and does not reflect subsequent changes, if any.

If mailed:

U.S. Bank National Association

Attention: _____

If hand delivered:

U.S. Bank National Association

Attention: _____

If bonds are presented by mail, the manner of shipment of bonds is at the bondholder’s discretion; however, transmittal by insured, registered mail is suggested.

Under current federal law, a paying agent making payments of principal and interest on municipal securities may be obligated to withhold tax from the remittances to registered owners who are not “exempt recipients” and who fail to furnish the paying agent with a valid Taxpayer Identification Number. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Registered owners of the Refunded Bonds who wish to avoid the imposition of this tax should submit certified Taxpayer Identification Numbers when presenting their Refunded Bonds for collection.

Prince William County, Virginia

Dated: June __, 2023

APPENDIX D-3

NOTICE OF REDEMPTION

Prince William County, Virginia

PUBLIC IMPROVEMENT AND REFUNDING BONDS, SERIES 2015, Dated August 13, 2015, and Maturing August 1 of the years 2016 through 2035

NOTICE IS HEREBY GIVEN to the owners of the following outstanding Prince William County, Virginia General Obligation Public Improvement Bonds, Series 2015 (the “Refunded Bonds”), that such Bonds shall be redeemed on the date at the redemption price (expressed as a percentage of the principal amount of such Bonds) referred to below together with the interest accrued thereon to the redemption date:

REFUNDED BONDS

Redemption Date: August 1, 2024

| <u>Maturity Date</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Redemption Price</u> | <u>CUSIP Number¹</u> |
|----------------------|-------------------------|----------------------|-------------------------|---------------------------------|
| August 1, 2028 | \$3,090,000 | 4% | 100% | |
| August 1, 2029 | 3,090,000 | 4 | 100% | |
| August 1, 2031 | 3,090,000 | 3.5 | 100% | |
| August 1, 2032 | 3,090,000 | 3.5 | 100% | |
| August 1, 2033 | 3,090,000 | 3.5 | 100% | |
| August 1, 2034 | 3,090,000 | 3.75 | 100% | |
| August 1, 2035 | 3,090,000 | 3.75 | 100% | |

On their Redemption Date, the Refunded Bonds shall become due and payable at their Redemption Price (together with the interest accrued thereon to the Redemption Date), interest on the Refunded Bonds shall cease to accrue, and from and after the Redemption Date the owners shall have no rights in respect thereof except to receive payment of the Redemption Price plus accrued interest to the Redemption Date.

Payment of the Redemption Price will be made upon presentation and surrender of the Refunded Bonds, on or after August 1, 2024, at the office of the Director, as provided below.

The Refunded Bonds should be presented for payment as follows:

¹The County shall not be responsible for the accuracy of the CUSIP numbers provided above. The CUSIP numbers are provided solely for the convenience of bondholders. This column indicates the CUSIP numbers that were assigned upon the original issuance of the Refunded Bonds and does not reflect subsequent changes, if any.

If mailed:

U.S. Bank National Association

Attention: _____

If hand delivered:

U.S. Bank National Association

Attention: _____

If bonds are presented by mail, the manner of shipment of bonds is at the bondholder’s discretion; however, transmittal by insured, registered mail is suggested.

Under current federal law, a paying agent making payments of principal and interest on municipal securities may be obligated to withhold tax from the remittances to registered owners who are not “exempt recipients” and who fail to furnish the paying agent with a valid Taxpayer Identification Number. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Registered owners of the Refunded Bonds who wish to avoid the imposition of this tax should submit certified Taxpayer Identification Numbers when presenting their Refunded Bonds for collection.

Prince William County, Virginia

Dated: June __, 2024

Appendix E

VERIFICATION REPORT

ATTACHMENT D

Form of Bonds

No. R-__

\$ _____

**United States Of America
Commonwealth Of Virginia
PRINCE WILLIAM COUNTY**

[Taxable] General Obligation Public Improvement Refunding Bond, Series 2020 []

| | | | |
|---------------|---------------|-----------------|-----|
| INTEREST RATE | MATURITY DATE | REDEMPTION DATE | PAR |
| _____ % | ___] 1, _____ | ___], 2020 | |

REGISTERED OWNER:

PRINCIPAL AMOUNT:

[1] The Prince William County, Virginia (the "County"), for value received, promises to pay, upon surrender hereof at the corporate trust office of [_____] , _____, Virginia (the "Registrar"), to the registered owner hereof, or registered assigns or legal representative, the principal amount stated above on the maturity or redemption dates thereof and to pay interest hereon semiannually on each [_____] 1 and [_____] 1, beginning [_____]1, 202_, at the annual interest rate stated above. Interest is payable (a) from [_____] , 202_ , if this bond is authenticated prior to [_____] , 202_ , or (b) otherwise from the [_____] 1 or [_____] 1 that is, or immediately precedes, the date on which this bond is authenticated (unless payment of interest hereon is in default, in which case this bond shall bear interest from the date to which interest has been paid). Interest will be computed on the basis of a 360-day year comprised of 12 months of 30 days each. Interest is payable by wire transfer or check mailed to the person shown as owner hereof at his address as it appears on the registration books kept by the Registrar on the fifteenth day of the month preceding each interest payment date. Principal and interest are payable in lawful money of the United States of America.

[2] This bond is one of an issue of \$ _____ [Taxable] Obligation Public Improvement Refunding Bonds, Series 2020 [] , of like date and tenor, except as to number, denomination, rate of interest and maturity, and is issued pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia, 1950 as amended. The bonds are authorized by a resolution adopted by the Prince William Board of County Supervisors on March 17, 2020, to refund portions of certain outstanding series of general obligation bonds issued by the County.

[3] The full faith and credit of the County are irrevocably pledged for the payment of principal and interest on the bonds of this series for each year any bond is outstanding. The County is authorized to levy an *ad valorem* tax, over and above all other taxes authorized or limited by law, on all property subject to local taxation in the County, in an amount sufficient to pay the principal of and redemption premium, if any, and interest on the bonds of this series for each year any of the bonds is outstanding.

[4] The bonds of this series are issuable as fully registered bonds in denominations of \$5,000 and multiples thereof. Upon surrender of this bond at the corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the County shall execute, and the Registrar shall authenticate and deliver in exchange, a new bond or bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner hereof or his duly authorized attorney or legal representative, all subject to the limitations and conditions provided in the resolution providing for the issuance of the Bonds. Any such exchange shall be at the expense of the County, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

[5] [The bonds of this series that mature on or before _____ are not subject to redemption before maturity. Bonds that mature after _____ may be redeemed, at the option of the County, before their respective maturities on any date not earlier than _____, in whole or in part (in integral multiples of \$5,000), upon payment of the redemption price of par plus accrued interest to the redemption date.] [Insert make-whole provisions, if applicable]

[6] [In addition, the term bonds of this series stated to mature on _____, 20__ shall be called for mandatory redemption in the amounts of the amortization requirements established pursuant to the delegation of authority contained in the Resolution on _____, 20__ and on each ____ thereafter at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption and without premium.]

[7] Term bonds of this series purchased or redeemed pursuant to a partial optional redemption by the County may be credited against the amortization requirements therefor as the County in its sole discretion may determine.

[8] If less than all of the bonds are called for redemption, the maturities to be redeemed shall be selected by the County's Director of Finance in such manner and in such order as he or she may determine to be in the best interest of the County.

[9] If the bonds are not registered in book-entry only form, any redemption of less than all of a maturity of bonds shall be allocated among the registered owners of such bonds as nearly as practicable in proportion to the principal amounts of the bonds owned by each registered owner, subject to the authorized denominations applicable to the bonds. This will be calculated based on the following formula:

$$\frac{\text{principal to be redeemed) x (principal amount owned by owner)}}{\text{(principal amount outstanding)}}$$

[10] [If less than all of the bonds of a particular maturity are called for redemption and the bonds are registered in book-entry only form, the Registrar shall select the bonds to be redeemed within such maturity by lot.] [Adjust for pro rata or other selection criteria]

[11] The portion of any bond to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof, and in selecting bonds for redemption, each bond shall be considered as representing that number of bonds that is obtained by dividing the principal amount of such bond by \$5,000. If the bonds are registered in book-entry only form and so long as The Depository Trust Company ("DTC"), New York, New York, or a successor securities depository is the sole registered owner of the bonds, partial redemptions of a maturity will be done in accordance with DTC procedures. It is the County's intent that redemption allocations made by DTC, the DTC participants or such other intermediaries that may exist between the County and the beneficial owners be made in accordance with these same proportional provisions. However, the County can provide no assurance that DTC, the DTC participants or any other intermediaries will allocate redemptions among beneficial owners on such a proportional basis.]

[12] Any notice of optional redemption of the bonds may state that it is conditioned upon there being available 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 the County, the corresponding notice of redemption shall be deemed to be revoked.

[13] If the County gives an unconditional notice of redemption, then on the redemption date the bonds called for redemption will become due and payable. If the County gives a conditional notice of redemption, and the amount of money to pay the redemption price of the affected bonds shall have been set aside with the Registrar for the purpose of paying such bonds, then on the redemption date the bonds will become due and payable. In either case, if on the redemption date the County holds money to pay the bonds called for redemption, thereafter no interest will accrue on

those bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those bonds.

[14] The County shall cause notice of the call for redemption identifying the bonds or portions thereof to be redeemed to be sent by first class mail, not less than 30 nor more than 60 days prior to the redemption date, to the registered owners thereof. If a portion of a bond is called for redemption, a new bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof. The County shall give notice as contemplated by Securities Exchange Act of 1934 Release No. 34-23856, dated December 3, 1986, including the requirement that notice be given to all organizations registered with the Securities and Exchange Commission as securities depositories, and to one or more information services of national recognition which disseminate redemption information with respect to municipal securities.

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

[16] All acts, conditions and things required by the Constitution and statutes 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, and the issue of bonds of which this bond is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

[17] If this bond is signed by facsimile signatures, then this bond shall not be valid until the Registrar shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

[18] IN WITNESS WHEREOF, the Prince William Board of County Supervisors has caused this bond to be signed by the manual or facsimile signature of its Chair or Vice-Chair, a manual or facsimile of its seal to be affixed or printed hereon and attested by the manual or facsimile signature of its Clerk or Deputy Clerk, and this bond to be dated the date set forth above.

(SEAL)

[to be executed only on original Bonds]
[Vice] Chair, Prince William Board of County
Supervisors of the County of Prince William, Virginia

ATTEST:

[to be executed only on original Bonds]
[Deputy] Clerk to the Prince William Board of County
Supervisors

CERTIFICATE OF AUTHENTICATION

Date Authenticated: _____

This bond is one of the Bonds described in the within-mentioned resolution.

[_____] , as Registrar

By: _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, endorses without recourse and transfers unto _____

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

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF TRANSFEREE

the within Bond and all rights hereunder, and hereby irrevocably constitutes and appoints _____

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

Dated: _____

By _____

IN THE PRESENCE OF:

ICE: the signature to this assignment must correspond
the name as it appears upon the face of the within
in every particular, without alteration or enlargement
y change whatever.

e affix signature guarantee ink stamp below with
priate signature, title of officer and date.

ICE: Signatures must be guaranteed by an “eligible
ntor institution” meeting the requirements of the
g Agent, which requirements include membership or
ipation in the Security Transfer Agent Medallion
am (“STAMP”) or such other “signature guarantee
am” as may be determined by the Paying Agent in
on to, or in substitution for, STAMP, all in
dance with the Securities Exchange Act of 1934, as
ded.