

**MOTION: ANGRY**

**September 22, 2020**

**SECOND: LAWSON**

**Regular Meeting**

**Res. No. 20-649**

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

**ACTION: APPROVED**

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

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

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

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

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

**September 22, 2020**

**Regular Meeting**

**Res. No. 20-649**

**Page Two**

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

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

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

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

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

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

**September 22, 2020**  
**Regular Meeting**  
**Res. No. 20-649**  
**Page Three**

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

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

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

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

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

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

**September 22, 2020**  
**Regular Meeting**  
**Res. No. 20-649**  
**Page Four**

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

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

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

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

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

**September 22, 2020**  
**Regular Meeting**  
**Res. No. 20-649**  
**Page Five**

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

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

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

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

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

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

**September 22, 2020**  
**Regular Meeting**  
**Res. No. 20-649**  
**Page Six**

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

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

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

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

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

**Votes:**  
**Ayes:** Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler  
**Nays:** None  
**Absent from the Vote:** None  
**Absent from the Meeting:** None

ATTEST: Andrea P. Madden  
Clerk to the Board

Attachment A

---

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE WILLIAM,  
VIRGINIA

and

U.S. BANK NATIONAL ASSOCIATION,

Trustee

---

SECOND SUPPLEMENTAL TRUST AGREEMENT

Authorizing and Securing

\$ \_\_\_\_\_

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

---

Dated as of October 1, 2020

---

TABLE OF CONTENTS

	<b><u>Page</u></b>
Parties and Preamble.....	1
ARTICLE I Definitions.....	2
ARTICLE II Details of Bonds; Issuance of Bonds .....	5
ARTICLE III Redemption of Bonds .....	7
ARTICLE IV Construction Subfund .....	9
ARTICLE V Revenues, Funds and Subfunds .....	9
ARTICLE VI Depositories of Moneys, Security for Deposits and Investments .....	9
ARTICLE VII General Covenants and Representations.....	10
ARTICLE VIII Events of Default and Remedies .....	12
ARTICLE IX Concerning the Trustee, Bond Registrar, Depositary and Paying Agent .....	12
ARTICLE X Execution of Instruments by Holders and Proof of Ownership of Bonds .....	12
ARTICLE XI Supplemental Trust Agreements.....	12
ARTICLE XII Supplements and Amendments to the Payment Agreement.....	15
ARTICLE XIII Defeasance .....	16
ARTICLE XIV Miscellaneous Provisions.....	17



## SECOND SUPPLEMENTAL TRUST AGREEMENT

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

### **W I T N E S S E T H:**

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

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

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

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

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

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

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

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

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

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

## ARTICLE I

### DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

**DETAILS OF BONDS; ISSUANCE OF BONDS**

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

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
--------------------------	-----------------------------	--------------------------	--------------------------	-----------------------------	--------------------------

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

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

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

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

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

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

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

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

### ARTICLE III

#### REDEMPTION OF BONDS

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

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

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

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

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

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

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

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

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

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



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

#### ARTICLE IV

### CONSTRUCTION SUBFUND

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

#### ARTICLE V

### REVENUES, FUNDS AND SUBFUNDS

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

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

#### ARTICLE VI

### DEPOSITARIES OF MONEY, SECURITY FOR DEPOSITS AND INVESTMENTS

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

## ARTICLE VII

### GENERAL COVENANTS AND REPRESENTATIONS

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

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

## ARTICLE IX

### CONCERNING THE TRUSTEE, BOND REGISTRAR, DEPOSITARY AND PAYING AGENT

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

## ARTICLE X

### EXECUTION OF INSTRUMENTS BY HOLDERS AND PROOF OF OWNERSHIP OF BONDS

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

## ARTICLE XI

### SUPPLEMENTAL TRUST AGREEMENTS

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE XII

### SUPPLEMENTS AND AMENDMENTS TO THE PAYMENT AGREEMENT

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

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

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

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

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

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

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

## ARTICLE XIII

### DEFEASANCE

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

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



## ARTICLE XIV

### MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

By \_\_\_\_\_  
Chairman

[SEAL]

Attest:

\_\_\_\_\_  
Secretary/Treasurer

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

By \_\_\_\_\_  
Name:  
Title:

Attachment B

**INSTALLMENT PURCHASE CONTRACT**

between

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

Seller,

and

**PRINCE WILLIAM BOARD OF COUNTY SUPERVISORS**

Purchaser,

relating to

**PRINCE WILLIAM COUNTY  
COUNTY FACILITIES PROJECTS**

---

Dated as of October 1, 2020

## TABLE OF CONTENTS

### INDEX

	<u>PAGE</u>
ARTICLE I. DEFINITIONS AND INTERPRETATION .....	2
ARTICLE II. ISSUANCE OF BONDS; COSTS OF THE PROJECTS .....	6
ARTICLE III. SALE OF THE PROJECTS.....	7
ARTICLE IV. PAYMENTS.....	8
ARTICLE V. REPAIRS .....	11
ARTICLE VI. INSURANCE .....	13
ARTICLE VII. TITLE; LIENS .....	13
ARTICLE VIII. REPRESENTATIONS .....	14
ARTICLE IX. IDA NOT LIABLE FOR INJURY OR DAMAGE, ETC. ....	15
ARTICLE X. SPECIAL COVENANTS; COUNTY OPTIONS.....	16
ARTICLE XI. USE AND MANAGEMENT OF PROPERTIES .....	18
ARTICLE XII. EVENTS OF DEFAULT, CONDITIONAL LIMITATIONS, REMEDIES, ETC. ....	19
ARTICLE XIII. NOTICES.....	21
ARTICLE XIV. MISCELLANEOUS.....	22

### EXHIBITS

EXHIBIT A	Legal Description of Projects Sites.....	25
EXHIBIT B	Permitted Encumbrances .....	26

### SCHEDULES

SCHEDULE 1	Basic Contract Payments.....	27
SCHEDULE 2	Insurance.....	28

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

#### **RECITALS:**

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

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

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

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

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

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

## ARTICLE I.

### DEFINITIONS AND INTERPRETATION

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

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

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

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

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

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

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

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

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

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

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

“**Buildings**” shall mean collectively the ADC Building, the Animal Shelter Building, the Fire Station Building, and any and all buildings on the 2010 Properties.

“**Contract**” shall mean this Installment Purchase Contract as the same may be supplemented and amended in accordance with the provisions hereof and the Trust Agreement.

“**Contract Payments**” shall mean the amounts, designated as Basic Contract Payments and Additional Contract Payments, payable by the County to or for the account of IDA pursuant to this Contract.

“**Cost**” shall have the meaning set forth in Section 403 of the Master Trust Agreement.

“**County Executive**” shall mean the chief administrative officer of the County at the time being.

“**County Representative**” means each of the persons at the time designated to act on behalf of the County by written certificate furnished to the Trustee containing the specimen signature of such persons and signed on behalf of the County by an authorized officer of the County.

“**Default**” shall mean any condition or event that constitutes or would, after notice or lapse of time, or both, constitute an Event of Default.

“**Due Date**” shall mean the last date on which payment is due without penalty, premium or interest.

“**Effective Date**” shall mean the date of delivery of the 2020A Bonds.

“**Enabling Act**” shall mean the Industrial Development and Revenue Bond Act, Title 15.2 Chapter 49 of the Code of Virginia, as amended, and other applicable law.

“**Event of Default**” shall have the meaning set forth in Section 12.01.

“**Event of Non-Appropriation**” shall have the meaning set forth in Section 12.03.

“**Fire Station Building**” shall mean the fire station building to be constructed on the Fire Station Property, as the same may be improved as part of the Fire Station Project.

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

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

“**Interest**” shall mean interest on the Purchase Price of the Projects. Such interest shall include interest at the same rates payable on the same dates as the interest payable by IDA on the Bonds.

**“Late Charge Rate”** shall mean the true interest cost rates on the Bonds.

**“Master Trust Agreement”** shall mean the Master Trust Agreement, dated as of April 1, 2016, as generally amended and supplemented from time to time, including by the Second Supplemental Trust Agreement, dated as of October 1, 2020, and by any Supplemental Trust Agreement entered into in connection with the issuance of additional Bonds, each between IDA and the Trustee. “Master Trust Agreement” shall also include Supplemental Trust Agreements, as supplemented and amended, each between IDA and the Trustee, entered into in connection with the issuance of additional or refunding bonds under the Master Trust Agreement that are not related to this Contract or the Properties.

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

**“Notice”** shall have the meaning and must be given in the manner set forth in Article XIII.

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

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

**“Permitted Encumbrances”** shall have the meaning set forth in Exhibit B.

**“Projects”** shall mean collectively the ADC Project, the Animal Shelter Project, the Fire Station Project and the 2010 Projects.

**“Properties”** shall mean collectively the ADC Property, the Animal Shelter Property, the Fire Station Property and the 2010 Properties.

**“Purchase Price”** shall mean an amount equal to the principal amount of the 2020A Bonds and any additional Bonds.

**“Second Supplemental Trust Agreement”** shall mean the Second Supplemental Trust Agreement, dated as of October 1, 2020, between IDA and the Trustee, as the same may be supplemented and amended as permitted thereby.

**“State”** shall mean the Commonwealth of Virginia.



“**Supplemental Trust Agreement**” shall mean any amendment or supplement to the Master Trust Agreement permitted thereby, including the Second Supplemental Trust Agreement.

“**Term**” shall mean the period of time commencing on the Effective Date and ending upon the Payment of the Bonds.

“**Termination of this Contract**” shall mean the expiration and any sooner termination of this Contract pursuant to any of the provisions of this Contract.

“**Trust Agreement**” shall mean the Master Trust Agreement as generally amended and supplemented from time to time, including by the Second Supplemental Trust Agreement. “Trust Agreement” shall not include Supplemental Trust Agreements entered into in connection with the issuance of additional or refunding bonds under the Master Trust Agreement that are not related to this Contract or the Properties.

“**Trustee**” shall mean the trustee at the time being under the Master Trust Agreement and all Supplemental Trust Agreements. U.S. Bank National Association is the Trustee under the Master Trust Agreement and the Second Supplemental Trust Agreement.

“**2016A Bonds**” shall mean IDA’s \$26,290,000 Prince William County Facilities Revenue and Refunding Bonds Series 2016A (County Facilities Projects).

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

“**2020A Bonds**” shall mean IDA’s \$\_\_\_\_\_ Prince William County Facilities Revenue and Refunding Bonds Series 2020A (County Facilities Projects).

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

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

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

SECTION 1.02. Interpretation.

(a) **References Hereto.** The terms “hereby,” hereof,” “herein,” “hereunder” and any similar terms, refer to this Contract.

(b) **Gender and Plurality.** Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(c) **Examples.** The use of the term “including” or “include” or of examples generally, shall mean without limitation to the specific examples provided.

(d) **Person; Owner.** Unless the context shall otherwise indicate, “person” shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof, and “owner” when used herein with respect to Bonds shall mean the registered owner of Bonds at the time issued and outstanding under the Trust Agreement.

(e) **Redemption.** Words importing the redemption or calling for redemption of the Bonds shall not be deemed to refer to or connote the payment of Bonds at their stated maturity.

(f) **Captions.** The captions or headings in this Contract are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Contract.

(g) **Articles; Sections.** All references herein to particular articles or sections are references to articles or sections of this Contract unless some other reference is established.

(h) **Table of Contents.** The Table of Contents is for the purpose of convenience of reference only and is not to be deemed or construed in any way as part of this Contract or as supplemental thereto or amendatory thereof.

(i) **Trust Agreement Controls.** Any inconsistency between the provisions of this Contract and the provisions of the Trust Agreement shall be resolved in favor of the provisions of the Trust Agreement.

## ARTICLE II.

### **ISSUANCE OF BONDS; COST OF THE PROJECTS**

SECTION 2.01. **Agreement to Issue the 2020A Bonds.** At the request of the County, IDA agrees that it will use its best efforts to issue, sell and deliver to the purchasers thereof at one time or from time to time (i) the 2020A Bonds pursuant to Section 208 of the Trust Agreement for the purpose of paying the Cost of the 2020 Projects, (ii) the 2020A Bonds to finance the acquisition of the 2010 Projects and the refunding of the 2010 Park Bonds, (iii) additional Bonds pursuant to Section 208 of the Trust Agreement for the purpose of paying all or any portion of the Cost of any 2020 Project in excess of the funds available for the purpose from the proceeds of the 2020A Bonds or (iv) refunding Bonds pursuant to Section 209 of the Trust Agreement for the purpose of refunding any 2020A Bonds or additional Bonds issued under (iii) above or a combination of such purposes. The proceeds of the 2020A Bonds shall be delivered to the Trustee for application in accordance with the Trust Agreement and the Second Supplemental Trust Agreement.

SECTION 2.02. **Disbursements from Construction Subfund.** IDA and the County hereby agree that the money in the Construction Subfund under the Trust Agreement shall be applied to the payment of the Cost of the Projects, and otherwise as provided in accordance with

Article IV of the Trust Agreement, and, pending such disbursement, such money shall be invested and reinvested in accordance with Article VI of the Trust Agreement.

**SECTION 2.03. No Sufficiency Warranty by IDA; Limited Liability of County. IDA DOES NOT MAKE ANY WARRANTY, EITHER EXPRESS OR IMPLIED, THAT THE MONEY THAT WILL BE PAID INTO THE CONSTRUCTION SUBFUND OR ANY ACCOUNT THEREIN WILL BE SUFFICIENT TO PAY THE COST OF THE PROJECTS.** The obligation of the County under this Contract to pay the Cost of the Projects will be limited to the proceeds of the 2020A Bonds and any additional Bonds described in Section 2.01 above deposited to the credit of the 2020A Projects Account, the investment earnings thereon and any other investment earnings on the funds and accounts held by the Trustee under the Trust Agreement and transferred to the 2020A Projects Account in the Construction Subfund. The County agrees, however, that if, after exhaustion of the money in the Construction Subfund, the County should pay or cause to be paid any portion of the Cost of the Projects, it shall not be entitled to any reimbursement therefor from IDA or from the Trustee (other than from the proceeds of additional Bonds issued under and in accordance with the provisions of the Trust Agreement and Section 2.01 above), or diminution or postponement of the payments to be made pursuant to Article 4 of this Contract.

**SECTION 2.04. Third Party Beneficiaries.** Except as provided by Section 10.06 with respect to the Trustee and the owners of the Bonds and except as provided in Section 14.04 with respect to individual and corporate rights to exemption from liability, it is not the intention of the parties to constitute any other person a beneficiary of this Contract or any of its provisions.

### **ARTICLE III.**

#### **SALE OF THE PROJECTS**

In consideration of the mutual promises contained herein, the sum of Ten Dollars (\$10) paid by the County to IDA and the net proceeds of the 2020A Bonds paid to the bond registrar under the Trust Agreement for the account of IDA, receipt of which is hereby acknowledged, IDA hereby sells to the County, and the County hereby purchases from IDA, on the Effective Date the Projects as they exist at such time, situate, lying and being in the County of Prince William, Virginia,

**SUBJECT** to the Permitted Encumbrances specified in Exhibit B.

## ARTICLE IV.

### PAYMENTS

#### SECTION 4.01. Payments.

(a) Basic Contract Payments. (i) The County shall be obligated to pay to IDA the Purchase Price in installments, with Interest thereon, in accordance with the provisions of this Contract. The Purchase Price and the Interest thereon shall be paid as Basic Contract Payments in the respective amounts, on or before their respective Due Dates, shown in Schedule 1.

(ii) The County may, at its option, prepay the Purchase Price, in whole or in part, on any Due Date on not less than thirty (30) days' written notice to IDA, accompanied by a specific direction to IDA to apply such prepayment to the purchase and cancellation, redemption or defeasance of the Bonds in accordance with their terms. IDA shall comply, or provide in the Trust Agreement securing the Bonds for compliance, with such directions. Upon such purchase and cancellation, redemption or defeasance, IDA shall credit the principal amount of the Bonds so cancelled, redeemed or defeased against the Purchase Price and reduce the Basic Contract Payments otherwise payable in accordance with Schedule 1 by an amount equal to the sum of (X) the principal amount of the Bonds so purchased and cancelled, redeemed or defeased, (Y) the interest on the Bonds so purchased and cancelled, redeemed or defeased and as a result of such prepayment and (Z) the interest that would have accrued on such Bonds so redeemed or defeased but for such prepayment and redemption or defeasance. IDA and the County shall revise Schedule 1 appropriately to reflect such reductions in Basic Contract Payments.

(iii) IDA shall credit appropriately against the Purchase Price and Interest, and reduce the Basic Contract Payments otherwise payable on each Due Date, by the amount of any investment income (X) realized from the investment and reinvestment of Bond proceeds and Basic Contract Payments or other amounts or reserves derived from Bond proceeds or Basic Contract Payments and set aside or pledged to the Bonds and (Y) applied, or to be applied, to the payment of principal or interest and any redemption premiums on Bonds.

(iv) IDA shall also credit appropriately against the Purchase Price and Interest and reduce the Basic Contract Payments by, in accordance with any directive by the County consistent with the terms of this Contract, amounts described by the provisions of this Contract, including without limitation, Sections 5.01(c), (d), and (e)(5) and 12.04.

(b) Additional Contract Payments. The County shall also pay to or for the account of IDA as Additional Contract Payments for the Projects all other amounts (other than Basic Contract Payments) payable by the County to IDA under this Contract, including, without limitation, any amounts due to IDA under Section 4.02.

All Additional Contract Payments shall be payable in accordance with the provisions of applicable Sections of this Contract.

SECTION 4.02. Expenses. The County will pay as Additional Contract Payments:

(1) all reasonable fees and expenses of the Trustee and, to the extent permitted by law, the costs and expenses of holding the Trustee harmless, to the extent permitted by law, against any loss, liability or expense (including the costs and expenses of defending against any claim of liability) incurred without negligence or willful misconduct by the Trustee and arising out of or in connection with its acting as Trustee under the Trust Agreement;

(2) all reasonable fees and expenses of the bond registrar, any depository and any paying agent appointed under the Trust Agreement; and

(3) all reasonable expenses of IDA allocable to this Contract and the Bonds, including, without limitation, the reasonable fees and expenses of its counsel in connection with the financing of the Cost of the 2020 Projects, the refunding of the 2010 Park Bonds, the preparation of this Contract and the Trust Agreement, any expenses payable by IDA under the Trust Agreement allocable to the Bonds, and not otherwise payable by the County under this Contract, and, to the extent permitted by law, the costs and expenses of holding IDA harmless, to the extent permitted by law against any loss, liability or expense (including the costs and expenses of defending against any claim of liability) incurred without negligence or willful misconduct by IDA and arising out of or in connection with this Contract or the Bonds or the Trust Agreement.

SECTION 4.03. Form of Payment. All Contract Payments payable to or for the account of IDA pursuant to this Contract shall be paid to or for the account of IDA in funds that shall be available in cash for payment or investment on the respective Due Dates of such Contract Payments.

SECTION 4.04. Net Contract. The County shall pay to IDA all Contract Payments payable to IDA free of any abatement, charges, counterclaims, assessments, set-offs, offsets, impositions or deductions of any kind whatsoever except as otherwise expressly provided in Section 4.01(a), and under no circumstances or conditions shall IDA be expected or required to make any payment of any kind with respect to the Properties or be under any obligation or liability hereunder, except as provided in this Contract and the Trust Agreement. In addition, and not in limitation of the foregoing, but subject to the provisions of Section 5.01, as between the County and IDA, the County shall be responsible for payment for all costs of operating, maintaining and repairing the Properties, including the costs and expenses for sewer, water, gas, electric, telephone, fuel and other utilities used or consumed in or at the Properties.

SECTION 4.05. Late Charges. Unless otherwise expressly provided to the contrary herein, in the event that payment of any Basic Contract Payment required to be paid hereunder shall become overdue for one business day beyond the date on which it is due and payable as provided in Section 4.01(a), the sums so overdue shall be payable with interest at the Late Charge Rate (computed on a 360-day year) from the date on which payment was originally due to the date until such sum is paid in full. No grace period or notice requirement shall be applicable to the preceding sentence or the application of interest therein and no failure by IDA to insist upon the strict performance by the County of the County's obligations to pay any late charge shall constitute a waiver by IDA of its right to collect the same or to enforce the

provisions of this Article in any instance thereafter occurring. The provisions of this Section 4.05 shall not be construed in any way to extend the grace periods or notice periods provided in Article XIII hereof or otherwise provided in this Contract.

SECTION 4.06. Obligations of County Subject to Appropriation. The obligations of the County to make Contract Payments under this Contract are contingent upon the appropriation for each fiscal year by the Board of County Supervisors of the County of funds from which such Contract Payments can be made. The County shall not be liable for any amounts that may be payable pursuant to this Contract unless and until such funds have been so appropriated for payment and then only to the extent thereof. It is understood and agreed by the parties hereto that nothing in this Contract shall be deemed to obligate the Board of County Supervisors of the County to appropriate any sums on account of any Contract Payments to be made by the County hereunder. This Contract shall not constitute a pledge of the full faith and credit of the County or a bond or debt of the County in violation of Section 10 of Article VII of the Constitution of the Commonwealth of Virginia.

SECTION 4.07. County Budget. The County Executive shall include as a separate line item in each annual budget of revenues and disbursements presented to the Board of County Supervisors an item designated “County Services Facilities Projects Payments” in an amount not less than an amount sufficient, in the judgment of the County Executive, to make the Contract Payments scheduled to become due, and pay all other amounts payable by the County, pursuant to this Contract during such fiscal year. Alternatively, the County Executive may include as a single line item in each annual budget of revenues and disbursements presented to the Board of County Supervisors an item designated “Basic and Additional Payments – Master Trust Agreement” in an amount not less than an amount sufficient, in the judgment of the County Executive, to make all payments scheduled to become due, and pay all other amounts payable by the County, pursuant to this Contract and all other payment agreements referred to in the Master Trust Agreement during such fiscal year.

## ARTICLE V.

### REPAIRS

#### SECTION 5.01. County's Obligation to Maintain and Repair Properties.

(a) Maintenance and Repairs. Except as otherwise provided in this Section 5.01, as between the County and IDA, the County, at its sole cost and expense, throughout the Term, shall keep and maintain the Properties in good and safe order and condition in accordance with industry standards, including without limiting the generality of the foregoing, the roofs, all railings and gutters, water, sewer and gas connections on or adjacent to or directly or indirectly servicing the Properties, pipes and mains on or adjacent to or directly or indirectly servicing the Properties and all other fixtures, machinery and equipment and shall make all repairs thereto, therein and thereon, interior and exterior, necessary to keep the same in good and safe order and condition, howsoever the necessity or desirability therefor may occur, and whether necessitated by wear and tear or otherwise; provided, however, that the County's obligations with respect to restoration resulting from a casualty shall be as provided in this Section 5.01 and Section 5.02 hereof. The County shall not commit or suffer, and shall use all reasonable precaution to prevent, waste, damage, or injury to the Properties. When used in this Section 5.01 the terms "repairs" and "restoration" shall include all required replacements, additions and alterations. This Section 5.01 shall no longer apply to any Property for which no Allocable Bonds remain Outstanding.

(b) County to Repair Damage. In the event the Properties or any portion thereof are damaged or destroyed by fire, flood or other casualty, the County shall, except as otherwise provided in subsection (c), proceed forthwith to repair, reconstruct and restore the damaged Properties as and to the extent the County shall deem appropriate under the circumstances and will apply the Net Proceeds of any insurance relating to such damage or destruction received by the County to the payment or reimbursement of the costs of such repair, reconstruction and restoration.

Net Proceeds of any insurance relating to such damage or destruction shall be paid directly to the County for disbursement or use, and the County shall apply such Net Proceeds received solely to, and shall complete, to the extent the County shall deem appropriate, the repair, reconstruction and restoration of the Properties, whether or not the Net Proceeds of insurance received by the County for such purposes are sufficient to pay for the same.

(c) Circumstances Under Which County May Not Repair Damage. In the event that the Properties or any portion thereof are destroyed by fire or other casualty, the County may within 90 days after such damage or destruction, elect by written notice to IDA not to repair, reconstruct or restore the Properties, provided that the Net Proceeds of insurance payable as a result of such damage or destruction together with other money held for the payment of or as security for the Bonds and any additional sums paid by the County are sufficient to provide for Payment of the Bonds. In such event the County shall, in its notice of election to IDA, state that such Net Proceeds and other money, if any, shall be applied to defease the lien of the Second Supplemental Trust Agreement with respect to the Allocated Bonds in accordance with its terms and such Net Proceeds shall be paid to IDA for the purpose of such defeasance. Alternatively, if

the County shall determine that the destruction is limited to a Property, it shall constitute compliance with the provisions of this subsection (c) if the Net Proceeds of insurance payable as a result of such damage or destruction together with other money held for the payment of or as security for the Bonds and any additional sums paid by the County are sufficient to provide for Payment of the Allocated Bonds, as applicable and shall be so applied.

(d) Surplus Net Proceeds of Insurance. Upon completion of the repair, reconstruction and restoration pursuant to subsection (b), any excess money from the Net Proceeds of insurance over and above the costs of such repair, reconstruction and restoration shall be paid by the County to IDA and shall be applied as a credit to Basic Contract Payments becoming due thereafter as designated in writing by the County. In the event that all the Bonds are defeased pursuant to subsection (c), any remaining Net Proceeds shall be paid to or retained by the County.

(e) Condemnation.

(1) In the event that the Properties or any portion thereof are condemned or taken for any public or quasi-public use and title thereto vests in the party condemning or taking the same, the County shall determine in writing whether the Properties can be repaired, reconstructed and restored to such an extent that the utility of the Buildings, or any of them, can be largely maintained, restored or replaced and shall furnish copies of such determination to IDA.

(2) If the County shall determine in accordance with paragraph (1) of this subsection that the utility of the Buildings, can be maintained, restored or replaced following such taking, the Net Proceeds resulting from such taking shall be paid directly to the County and applied as hereinafter provided in this paragraph. The County agrees that, to the extent permitted by law, it will forthwith repair, reconstruct and restore the Properties, as nearly as shall be practicable, to substantially the same or an improved condition or utility as existed prior to the taking and will to the extent necessary apply the Net Proceeds of any condemnation award relating to such condemnation received by the County to the payment or reimbursement of the costs of such repair, reconstruction and restoration. It is further understood and agreed that, if the County shall determine that the Properties can be repaired, reconstructed and restored to such an extent that utility of the Buildings, or either of them, can be largely maintained, restored or replaced, the County shall complete the repair, reconstruction and restoration of the Properties, whether or not the Net Proceeds of the condemnation award received by the County for such purposes are sufficient to pay for the same.

(3) If the County shall determine in accordance with paragraph (1) of this subsection that the utility of the Buildings cannot be maintained, restored or replaced following such taking, the Net Proceeds payable as a result of such taking shall be paid for the account of IDA to the Trustee and the County shall pay to the Trustee for the account of IDA such additional amount as shall be required, together with such Net Proceeds and all amounts held under the Trust Agreement and available for the purpose, for the Payment of the Bonds. Alternatively, if the County shall determine that the taking is limited to a Property it shall constitute compliance with the provisions of this paragraph (e)(3) if the Net Proceeds payable as a result of such taking together with other money held for the payment of or as security for the Bonds issued to finance



the Projects and any additional sums paid by the County are sufficient to provide for Payment of the Allocated Bonds, as applicable and shall be so applied.

(4) IDA shall cooperate with the County in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Properties or any part thereof.

(5) Any excess money from the Net Proceeds of a taking over and above the costs of repair, reconstruction and restoration prosecuted to completion in accordance with paragraph (2) of this subsection shall be paid by the County to IDA and applied as a credit against the Purchase Price and reduce the Basic Contract Payments becoming due thereafter as designated in writing by the County. In the event of Payment of the Bonds in accordance with paragraph (3) of this subsection, any remaining Net Proceeds shall be retained by or paid to the County.

SECTION 5.02. County's Assumption of the Maintenance and Management of the Properties. IDA shall have no duty or obligation to make any alteration, change, improvement, replacement, restoration or repair to, or to demolish, the whole or any part of the Properties. Except as otherwise provided in Section 5.01 hereof, as between the County and IDA, the County assumes the full and sole responsibility for the condition, operation, repair, alteration, improvement, replacement, maintenance and management of the Properties.

## **ARTICLE VI.**

### **INSURANCE**

The County shall procure and pay the requisite premiums for, and maintain during the Term of this Contract, the insurance described in Schedule 2 of this Contract. Such insurance shall be placed in effect on the Effective Date. The insurance policies required by this Contract and described in Schedule 2 shall name the Trustee as an additional named insured and shall provide that the policies shall not be changed or terminated without forty-five (45) days prior written notice to the IDA and the Trustee. Nothing in this Contract shall prohibit the County from self-insuring against any one or more of the liabilities, perils or circumstances described in Schedule 2 if such insurance shall not be available on terms that, in the opinion of the Manager of the Risk Management Division of the Office of Finance of the County, are commercially reasonable. If the County self-insures against any one or more of the liabilities, perils or circumstances described in Schedule 2 it is understood that other parties cannot be named as an additional named insureds.

## **ARTICLE VII.**

### **TITLE; LIENS**

SECTION 7.01. Title. As between the County and IDA, fee title to the Projects shall vest in the County on the Effective Date in accordance with the provisions of Article III.

SECTION 7.02. No Impairment of IDA's Interests. Except for Permitted Encumbrances, the County shall not create or cause or, due to the County's negligence or willful misconduct, suffer to be created, and shall cause its transferees to covenant not to create or suffer

to be created, any lien, encumbrance or charge upon this Contract, the Properties, or any part of any of them, or IDA's income derived from this Contract.

SECTION 7.03. County to Pay or Contest, Taxes, etc. Notwithstanding the provisions of Section 7.02 hereof, the County shall not be required to pay any tax, levy, charge, fee, rate, assessment or imposition to remove any lien described in Section 7.02, pay or otherwise satisfy and discharge its obligations, demands and claims against it or to comply with any lien, law, ordinance, rule, order, decree, decision, regulation or requirement so long as the County shall contest, in good faith and at its cost and expense, in its own name and behalf, the amount or validity thereof, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the tax, levy, charge, fee, rate, assessment, imposition, obligation, indebtedness, demand, claim or lien so contested, and the sale, forfeiture, or loss of the Properties or any part thereof, provided, that no such contest shall subject IDA to the risk of any liability. While any such matters are pending, the County shall not be required to pay, remove or cause to be discharged the tax, levy, charge, fee, rate, assessment, imposition, obligation, indebtedness, demand, claim or lien being contested unless the County agrees to settle such contest. Each such contest shall be promptly prosecuted to final conclusion (subject to the right of the County to settle such contest), and in any event the County, to the extent permitted by law, will save IDA harmless from and against all losses, judgments, decrees and costs (including attorneys' fees and expenses in connection therewith) as a result of such contest and will, promptly after the final determination of such contest or settlement thereof, pay and discharge the amounts which shall be levied, assessed or imposed or determined to be payable therein, together with all penalties, fines, interests, costs and expenses thereon or incurred in connection therewith.

## ARTICLE VIII.

### REPRESENTATIONS

#### SECTION 8.01. County Representations.

(a) Projects. As between IDA and the County, the County represents that the County is fully familiar with the Projects and the physical conditions thereof and the status of title thereto.

Except as expressly provided in this Contract, the County warrants that no representations, statements or warranties, express or implied, have been made by or on behalf of IDA in respect of the Projects including the physical condition thereof, the status of title to the Properties, the availability of utilities or other infrastructure thereon or any facts, conditions, laws, regulations, rules or orders applicable thereto, now or in the future affecting the Properties, or the use that may be made of the Properties, and that the County has relied on no such representations, statements or warranties, and that IDA shall in no event whatsoever be liable for any latent or patent defects in the Projects or the Properties.

(b) Tax Representations.

(1) Except as permitted in this Section, the County represents that it shall not use, or permit the use of, any portion of the Properties by any person or entity for any private business use, other than a state or local governmental unit. For purposes of this subsection, the term “use” shall include the transfer of title or lease of all or any portion of a Property, or operation of or the provision of services with respect to all or any portion of a Property, or any contract for the management or operation of the a Property that does not conform to the guidelines set forth in Revenue Procedure 2017-13, as amended, or in Revenue Procedure 97-13, as amended (each to the extent applicable), as such guidelines may be modified by the Internal Revenue Code of 1986, as amended (the “Code”), and regulations and procedures adopted pursuant thereto, or any contract or other arrangement permitting the use of all or any portion of a Property on a basis other than as a member of the general public.

(2) The County may use, or permit the use of, any portion of a Property by any person or entity that is not a state or local governmental unit or other “exempt person” as defined in the Code for any private business use, provided, that (i) the County shall not more than sixty (60) nor less thirty (30) days prior to the effective date of such proposed use, furnish or cause to be furnished to IDA a written description of the nature, scope and duration of such proposed use, the person or entity to be engaged in such proposed use and a copy of the proposed agreement between the County, or any transferee of the County, and such person or entity establishing the terms and conditions of such proposed use, and (ii) an attorney at law or a firm of attorneys, designated by IDA, of nationally recognized standing in matters pertaining to the exclusion of interest on bonds issued by states and their political subdivisions from gross income for federal income tax purposes, shall, on or prior to the effective date of such proposed use, have delivered to IDA an opinion, reasonably satisfactory in form and substance to IDA, to the effect that such proposed use will not adversely affect the exclusion of interest on the 2016A Bonds from gross income for federal income tax purposes.

SECTION 8.02. Representations re Authorization. IDA and the County each represent to the other that it has full power and authority to enter into this Contract, and that when executed and delivered by it, this Contract shall have been duly authorized by all necessary corporate action and all necessary consents obtained and that this Contract shall be a valid and binding obligation.

**ARTICLE IX.**

**IDA NOT LIABLE FOR INJURY OR DAMAGE, ETC.**

SECTION 9.01. No Liability of IDA for Injury. To the fullest extent permitted by law, IDA shall not be liable for any injury or damage to any property or any person, happening on, in or about the Properties and its appurtenances, nor for any injury or damage to the Properties or to any property belonging to the County or any other person which may be caused by any fire, breakage or other event, or by the use, misuse or abuse of the Properties or area adjacent thereto (including, but not limited to, the common and public facilities, elevators, hatches, openings,

installations, stairways or hallways, on or within the Properties) or which may arise from any other cause whatsoever, unless caused by the gross negligence or an intentional act of IDA in its or its agents or employees in their capacities as agents or employees.

SECTION 9.02. No Liability of IDA for Utility Failure, Weather, Leaks, Etc. IDA shall not be liable for any failure of water supply, gas or electric current, nor for any injury or damage to any property or person or to the Properties caused by or resulting from gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or other storms or disturbances, leakage of gasoline or oil from pipes, appliances, sewer or plumbing works, or from any other place.

## ARTICLE X.

### **SPECIAL COVENANTS; COUNTY OPTIONS**

SECTION 10.01. Power to Contract. IDA covenants that it has the right to make this Contract for the Term. The County may seek to enforce its rights under this Contract by any appropriate remedial action at law or in equity.

SECTION 10.02. IDA Right of Access. The County agrees that IDA, the Trustee and their or either of their duly authorized agents shall have the right, at all reasonable times with reasonable prior notice and subject to the rights of subtenant's under their respective subleases, to enter upon the Properties and to examine and inspect the Projects.

SECTION 10.03. Release of Portions of the Properties. (a) Notwithstanding any other provisions of this Contract, the parties hereto reserve the right at any time and from time to time to amend this Contract for the purpose of effecting the release and removal from the provisions of this Contract of any part of any Property with respect to which the County or a transferee of the County proposes to convey fee title to a public utility or public body in order that utility services or roads or other services may be provided for such Property or any portion thereof; provided, that if at the time any such amendment is made, any of the Bonds is outstanding and unpaid there shall be deposited with the Trustee the following:

- (1) A copy of the amendment or easement as executed;
- (2) A resolution of the Board of County Supervisors of the County (i) stating that the County is not in default under any of the provisions of the Trust Agreement and IDA is not to the knowledge of the County in default under any of the provisions of this Contract, (ii) giving an adequate legal description of that portion of such Property to be released, and (iii) stating the purpose for which the County desires the release;
- (3) A certificate showing that IDA has approved such amendment and stating that IDA is not in default under any of the provisions of this Contract; and
- (4) A certificate of an appropriate County Representative, dated not more than sixty (60) days prior to the date of the release, stating that, in the opinion of the person signing such certificate, the release proposed to be made will not impair the usefulness of such Property as an adult detention facility, fire station facility, animal shelter facility or park facility, as appropriate

and in the case of the land that constitutes a portion of a Property will not destroy the means of ingress thereto and egress therefrom.

(b) Notwithstanding any other provisions of this Contract, the County may sell or otherwise dispose of its interest in any unimproved parts of the Properties (on which neither the Buildings or the utilities that serve them are located); provided, that if at the time any such sale or other disposition is proposed, all or any of the Bonds is outstanding and unpaid, there shall be deposited with the Trustee the following:

(1) The documents described in clauses (1), (2) and (3) above; and

(2) A certificate of an appropriate County Representative, dated not more than sixty (60) days prior to the date of the disposition, stating that, in the opinion of the person signing such certificate, the release proposed to be made will not impair the usefulness of any related Building as an adult detention facility, fire station facility, animal shelter facility or park facility, as applicable, and will not destroy the means of ingress thereto and egress therefrom.

SECTION 10.04. Granting of Easements. The County and its transferees may at any time or times (i) grant easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the Properties (collectively, "Easements") or (ii) release existing Easements and with or without consideration and upon such terms and conditions as the County shall determine, and the County and any transferee may execute and deliver any instrument necessary or appropriate to confirm to grant or release any such Easement provided, however, that neither the County nor its transferees will effect any such grant or release that will materially adversely affect the usefulness of the ADC Property as a site for detention center facilities, the Animal Shelter Property as a site for animal shelter facilities, the Fire Station Property as a site for fire station facilities or any 2010 Property as a site for park facilities, as appropriate.

SECTION 10.05. Assignment, Leasing and Subleasing. Neither this Contract nor the rights and obligations of the County under this Contract shall be assigned in whole or in part without the consent of IDA. With IDA's consent, this Contract may be assigned in whole or in part, and the Properties may be further conveyed, leased or subleased as a whole or in part, by the County subject, however, to each of the following conditions:

(1) No assignment, conveyance, lease or sublease shall relieve the County from primary liability for any of its obligations hereunder, and in the event of any such assignment, conveyance, lease or sublease, the County shall continue to remain primarily liable for payment of the Contract Payments specified in Article IV and for performance and observance of the other agreements on its part herein provided to be performed and observed by it; and

(2) The assignee, transferee, lessee or sublessee, if not an affiliate under the direct or indirect control of the County, shall assume the obligations of the County hereunder, arising from and after the effective date of such assignment, other than the County's obligations under Article IV, to the extent of the interest assigned, conveyed, leased or subleased, and such assignment, lease or sublease shall be subject to all the terms and conditions of this Contract; and

(3) The County shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the IDA and to the Trustee a true and complete copy of each such assignment, conveyance, lease or sublease, as the case may be.

SECTION 10.06. Assignment of Contract by IDA. IDA shall assign its interest in and pledge all money receivable under this Contract, other than the Additional Contract Payments payable by the County under Section 4.01(b) and described in Section 4.02, to the Trustee pursuant to the Trust Agreement as security for payment of the principal of and the interest and any redemption premium, if any, on the Bonds. The County hereby consents to and acknowledges such assignment and consequently shall make all Basic Contract Payments and payments to be credited against Basic Contract Payments directly to the Trustee for the account of IDA.

SECTION 10.07. County Options to Terminate. The County may terminate the Term by paying to the Trustee, for the account of IDA, for deposit in the Debt Service Subfund under the Trust Agreement an amount that will be sufficient to purchase, redeem or defease all the outstanding Bonds in accordance with the provisions of Articles III, V and XIII of the Trust Agreement, and in case of redemption making arrangements satisfactory to the Trustee for the giving of the required notice of redemption.

## ARTICLE XI.

### USE AND MANAGEMENT OF PROPERTIES

SECTION 11.01. Permitted Use. The County shall use, or cause to be used, the Properties facilities for public purposes permitted by the Enabling Act. The County shall not use, or suffer any one else to use, the Properties for other than public purposes permitted by the Enabling Act. Except as permitted by Section 8.01(b), there shall be no occupation or use of the Properties by the County or anyone else for any purpose other than as authorized by this Section, without the written consent of IDA and counsel to IDA.

SECTION 11.02. No Illegal or Hazardous Use. The County shall not use or occupy, nor permit or suffer the Properties or any part thereof to be used or occupied for any unlawful or illegal business, use or purpose, or for any disreputable, dangerous, noxious or hazardous business, use or purpose, or in such manner as to constitute a nuisance of any kind (public or private) by reason of odors, fumes, dust, smoke, noise or other pollution, or for any purpose or in any way in violation of the certificate of occupancy or of any applicable rules or regulations, or which may make void or voidable any insurance then in force on the Properties. Upon the discovery of any such unlawful, illegal, disreputable or hazardous use, the County shall immediately take all necessary steps, legal and equitable, to compel the discontinuance of such use.

SECTION 11.03. Properties Management. Nothing in this Contract shall constrain the County and its transferees and their lessees and sublessees and licensees from contracting for management, cleaning, maintenance, food, professional instruction or other services for the Properties, or portions of them, and enter into an agreement or agreements therefor, subject to the provisions of Section 8.01(b).

## ARTICLE XII.

### **EVENTS OF DEFAULT, CONDITIONAL LIMITATIONS, REMEDIES, ETC.**

SECTION 12.01. Events of Default. Subject to the provisions of Section 12.03, each of the following events shall be an “Event of Default” hereunder:

(1) subject to the provisions of Section 12.03, if the County shall fail to make any Basic Contract Payment or any part thereof on the due date thereof and such failure shall continue for one business day; or

(2) subject to the provisions of Section 12.03, if the County shall fail (i) to maintain or cause to be maintained the insurance required by Article VI, or (ii) to make any Additional Contract Payment, or any other payment under this Contract, required to be paid by the County hereunder for a period, after notice thereof from IDA to the County, of forty-five (45) days; or

(3) subject to the provisions of Section 12.02, if the County shall fail to observe or perform one or more of the other material terms, conditions, covenants or agreements of this Contract or any representation, and such failure or misrepresentation shall continue for a period of ninety (90) days after written notice thereof by IDA to the County specifying such failure (unless such failure or misrepresentation requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature reasonably be performed, done or removed, as the case may be, within such ninety (90) day period, in which case no Event of Default shall be deemed to exist as long as the County shall have commenced curing the same within such ninety (90) day period and shall diligently and continuously prosecute the same to completion); or

(4) if the County shall admit, in writing, that it is unable to pay its debts as such become due or shall make an assignment for the benefit of creditors; or

(5) if the County shall file a voluntary petition in bankruptcy or the County shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the County or of all or any substantial part of the Properties or any interest of the County therein; or

(6) if within ninety (90) days after the commencement of any proceeding against the County seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, such proceeding shall not have been dismissed, or if, within ninety (90) days after the appointment, without the consent or acquiescence of the County, of any trustee, receiver or liquidator of the County or of all or any substantial part of the Properties or any interest of the County therein, such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within thirty (30) days after the expiration of any such stay, such appointment shall not have been vacated.

SECTION 12.02. Force Majeure. The foregoing provisions of Section 12.01(3) are subject to the following limitations: if by reason of Force Majeure, the County is unable in whole or in part to carry out any of its agreements herein contained, failure of the County to carry out any such agreements, shall not be deemed an Event of Default under Section 12.01(3) during the continuance of such inability, including a reasonable time for the removal of the effect thereof.

The term “Force Majeure” shall mean, without limitation, the following:

(1) acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies, political subdivisions or officials (other than the County), or any civil or military authority; war; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; droughts; floods; washouts; arrests; restraint of government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or

(2) any cause, circumstance or event not reasonably within the control of the County.

The County agrees, however, to use commercially reasonable efforts to remedy with all reasonable dispatch the Force Majeure preventing it from carrying out its agreements; provided, that the settlement of any disputes of any nature shall be entirely within the discretion of the County, and the County shall not be required to make settlement or any such disputes by acceding to the demands of the opposing party or parties when such course is, in the judgment of the County Attorney for the County, unfavorable to the County.

**SECTION 12.03. Non-Appropriations. ANYTHING TO THE CONTRARY NOTWITHSTANDING ELSEWHERE IN THIS CONTRACT, THE FAILURE OF THE COUNTY TO PAY ALL OR ANY PORTION OF ANY AMOUNT OTHERWISE DUE AND PAYABLE UNDER THIS CONTRACT TO OR FOR THE ACCOUNT OF IDA OR THE TRUSTEE ON ACCOUNT OF THE FAILURE OF THE BOARD OF COUNTY SUPERVISORS OF THE COUNTY TO APPROPRIATE SUCH SUM (AN “EVENT OF NON-APPROPRIATION”) SHALL NOT, TO THE EXTENT OF SUCH FAILURE, CONSTITUTE A DEFAULT OR AN EVENT OF DEFAULT UNDER THIS CONTRACT.**

SECTION 12.04. Remedies. If an Event of Default shall have occurred and be continuing,

(1) In an Event of Default, IDA may, at its option, declare all installments of Basic Contract Payments (equal to all the then outstanding principal amounts of the Bonds and any accrued interest thereon) payable under Section 4.01(a) hereof for the remainder of the Term to be immediately due and payable, whereupon the same shall become immediately due and payable.

(2) In an Event of Default, IDA may take whatever action at law or in equity may appear necessary or desirable to collect the Contract Payments then due and thereafter to become



due, or to enforce performance and observance of any obligation, agreement or covenant of the County under this Contract.

Any amounts collected pursuant to action taken under this Section shall be paid into the Debt Service Subfund under the Trust Agreement and applied in accordance with the provisions of the Trust Agreement, or, if the Payment of the Bonds shall have occurred, to IDA unless all sums owing hereunder by the County to IDA shall have been paid, in which case such amounts shall be paid to the County.

SECTION 12.05. No Remedy Exclusive. In an Event of Default, no remedy herein conferred upon or reserved to IDA or Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle IDA or the Trustee to exercise any remedy reserved to it in this Article XII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 12.06. Agreement to Pay Attorneys' Fees and Expenses. If any Event of Default shall occur or in the event the County should default under any of the provisions of this Contract and, in any such case, IDA or the Trustee should employ attorneys or incur other expenses for the collection of Contract Payments or the enforcement of performance or observance of any obligation or agreement on the part of the County herein contained, the County agrees that it will on demand therefor pay to IDA or the Trustee the reasonable fees of such attorneys and such other expenses so incurred.

SECTION 12.07. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Contract should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

### **ARTICLE XIII.**

#### **NOTICES**

SECTION 13.01. Notice Procedure. Whenever it is provided herein that notice, demand, request, consent, approval or other communication shall or may be given to or served upon either of the parties by the other, and whenever either of the parties shall desire to give or serve upon the other any notice, demand, request, consent, approval or other communication with respect hereto or to the Projects, each such notice, demand, request, consent, approval or other communication shall be in writing (a "Notice") and, any law or statute to the contrary notwithstanding, shall be effective for any purpose if given or served as follows:

(1) If to IDA, by registered or certified mail, postage prepaid, return receipt requested, or hand delivery addressed to IDA at P.O. Box 2636, \_\_\_\_\_ Att: Chairman,

with a copy thereof sent to Michael W. Graff, Jr., Esq., McGuireWoods, LLP 1750 Tysons Boulevard, Suite Tysons, VA 22102; or to such other party or address(es) as IDA may from time to time designate by notice given to the County by registered or certified mail as aforesaid.

(2) If to the County, by registered or certified mail, postage prepaid, return receipt requested, or hand delivery, addressed to 1 County Complex Court Prince William, Virginia 22192 Attention: Director of Finance; or to such other party or address(es) as the County may from time to time designate by notice given to the County by registered or certified mail as aforesaid.

(3) A copy of any notice sent to the County or IDA shall also be sent to the Trustee, by registered or certified mail, postage prepaid, or hand delivery, addressed as provided in the Trust Agreement.

SECTION 13.02. Receipt. Every notice, demand, request, consent, approval or other communication hereunder shall be deemed to have been given or served when received at the recipient's office address as designated in Section 13.01.

#### ARTICLE XIV.

#### MISCELLANEOUS

SECTION 14.01. Performance of Governmental Functions. Notwithstanding anything to the contrary contained in this Contract, nothing contained in this Contract shall in any way estop, limit or impair the County from exercising or performing any regulatory, policing or other governmental functions with respect to the Properties.

SECTION 14.02. Nature of County Obligation. The obligation of the County to pay Basic Contract Payments, Additional Contract Payments and other amounts hereunder shall be as set forth herein, and nothing contained in this Contract shall obligate or be deemed to obligate the County to pay the principal of and premium, if any, and interest on the Bonds.

SECTION 14.03. Successors. The agreements, terms, covenants and conditions herein shall bind and inure to the benefit of IDA and the County and their respective successors and (except as otherwise provided herein) assigns.

SECTION 14.04. Limitation of Personal Liability. No covenant, condition or agreement contained in this Contract shall be deemed to be a covenant, agreement or obligation of any present or future member, commissioner, supervisor, officer, employee or agent of IDA or the County in his individual capacity. No member, commissioner, supervisor, officer, employee or agent of IDA or the County shall incur any personal liability with respect to any action pursuant to this Contract or the Enabling Act provided such commissioner, supervisor, officer, employee or agent acts in good faith.

SECTION 14.05. Invalidity of Certain Provisions. If any section, term or provision of this Contract or the application thereof to any person or circumstances shall, to any extent, be or become invalid or unenforceable, the remainder of this Contract, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or

unenforceable, shall not be affected thereby, and each term and provision of this Contract shall be valid and be enforced to the fullest extent permitted by law. IDA and the County agree to substitute for such section, term or provision of this Contract or the application thereof determined to be invalid or unenforceable, such other provision as closely approximating such invalid, illegal or unenforceable term or provision. If IDA and the County do not agree, they shall apply to a court of competent jurisdiction to substitute such provision as the court deems reasonable and judicially valid, legal and enforceable. Such provision determined by the court shall automatically be deemed part of this Contract *ab initio*.

SECTION 14.06. Amendment of Contract. This Contract cannot be changed or terminated orally, but only by a written instrument of change, modification, waiver or termination executed by the party against whom enforcement of any change, modification, waiver or discharge is sought, and in accordance with the Trust Agreement.

SECTION 14.07. Governing Law and Forum. The laws of the State govern the validity, interpretation, construction, and performance of this Contract. Unless otherwise agreed in writing, jurisdiction for the resolution of any disputes arising out of this Contract shall lie in a court of competent jurisdiction.

SECTION 14.08. No Joint Venture. Nothing herein is intended nor shall be deemed or construed to create a joint venture or partnership between IDA and the County or constitute either the agent of the other, nor to make IDA in any way responsible for the duties, responsibilities, obligations, liabilities, debts or losses of the County.

SECTION 14.09. Compliance with all Laws, Rules and Regulations. The parties hereto represent that each will comply with all applicable, binding laws, rules and regulations of any governmental authority relating to the use and occupancy of the Properties.

SECTION 14.10. Provision of Notices and Other Information to Rating Agencies. The County agrees to furnish to each Rating Agency requesting the same (i) copies of all filings made pursuant to its undertakings made pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, and (ii) any failure by the Board of County Supervisors to appropriate timely amounts sufficient to pay the Basic Contract Payments and Additional Contract Payments due in the next fiscal year.

SECTION 14.11. USA Freedom Act Requirements of the Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. Accordingly, the Trustee will require documentation from IDA and the County and each non-individual person such as a business entity, a charity, a trust, or other legal entity verifying its formation as a legal entity. The Trustee may also seek financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. Each of IDA and the County agrees to provide its reasonable cooperation in such matters and to cause other legal entities to provide such reasonable cooperation if requested by the Trustee.

SECTION 14.12. Entire Agreement. This Contract, and the Exhibits and Schedules hereto, contain all the promises, agreements, conditions, inducements and understandings between IDA and the County relative to the sale of the Projects by IDA to the County.

**IN WITNESS WHEREOF**, IDA and the County have duly executed this Contract under Seal as of the day and year first above written.

[SEAL]

SELLER:

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

By: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary/Treasurer

[SEAL]

PURCHASER:

**PRINCE WILLIAM BOARD OF  
COUNTY SUPERVISORS**

By: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Chief Deputy Clerk of the Board

**EXHIBIT A**

**Legal Description**

**PROPERTIES DESCRIPTION**

**[legal description to come].**

**EXHIBIT B**

**PERMITTED ENCUMBRANCES**

**“Permitted Encumbrances”** shall mean, all encumbrances affecting title to the properties as of the date hereof and all encumbrances listed below as of any particular time:

(1) leases, licenses, concessions or other similar arrangements or rights to property which relate to the Properties which are of a type that is customarily the subject of such leases, licenses, concessions or other similar arrangements or rights to property, such as food service facilities, newsstands, convenience shops or other specialty services necessary or incidental to the operation of the Properties;

(2) liens for taxes and special assessments which are not then delinquent, or if then delinquent are being contested in accordance with Section 7.03 hereof;

(3) utility, access and other easements and rights-of-way, restrictions, encumbrances and exceptions which do not materially interfere with or materially impair the operation or usefulness of the Properties for their intended purpose;

(4) any mechanic’s, laborer’s, materialman’s, supplier’s or vendor’s lien or right in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in accordance with the provisions of Section 7.03 hereof;

(5) such liens, defects, irregularities of title and encroachments on adjoining property as normally exist with respect to property similar in character to the Properties and which do not materially adversely interfere with or materially impair the operation or usefulness of the Properties for their intended purpose;

(6) zoning laws and similar restrictions which are not violated by the Properties;

(7) all right, title and interest of the Commonwealth of Virginia, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way;

(8) liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which the County shall at any time in good faith be prosecuting an appeal or proceeding for a review and in respect of which a stay of execution pending such appeal or proceeding for review shall be in existence; and

(9) such liens, covenants, conditions and restrictions, if any, which are other than those of the type referred to in clauses (1) through (8) above, and which do not and will not, so far as can reasonably be foreseen, materially adversely affect the value of the Properties or materially interfere with or impair the operation or usefulness of the Properties for their intended purpose.

**SCHEDULE 1**

**BASIC CONTRACT PAYMENTS**

**DUE DATE**

**BASIC CONTRACT PAYMENT**

See attached



**SCHEDULE 2**

**INSURANCE**

**REQUIRED INSURANCE**

On the Effective Date, the County shall place, or cause there to be placed, into effect the following coverages:

(1) Property Insurance: an insurance policy providing “all risks” coverage for direct physical loss or damage to the structure (real and personal property), to be used in, incidental to, or during operation and maintenance of the Projects (certain exclusions and limitations apply).

The coverage under the policy shall have a coverage limit equal to one hundred percent (100%) of the replacement cost value of such property, to be determined periodically at the request of the County, but not less frequently than annually, by one of the insurers or an appraiser, an architect or contractor chosen by the County.

(2) General Liability Insurance: a standard (1/73 Ed.) ISO occurrence Form Commercial General Liability Insurance policy, or its equivalent or better, covering the liability of the County for all operations and maintenance in connection with the Buildings.

The coverage under such insurance policy or policies, shall have not less than the following limits:

Personal Injury and Property Damage Liability.

\$5,000,000 combined aggregate limit each occurrence.

If necessary, elevator coverage will also be included.

**MISCELLANEOUS**

(1) All terms and conditions of the insurance procured and/or self insurance maintained by the County and its transferees shall be submitted to IDA and the Trustee within ninety 90 days of inception of said policies.

(2) The insurance policies described in this schedule shall provide that the policies shall not be changed or terminated without forty-five (45) days prior written notice to both IDA and the Trustee.

(3) Such insurance shall be issued by companies licensed to do business in the Commonwealth of Virginia with the Best's Key Rating of at least A-:VI.

**NOTICE OF SALE**

\$ \_\_\_\_\_ \*

**INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE  
WILLIAM  
PRINCE WILLIAM COUNTY FACILITIES REVENUE AND REFUNDING BONDS  
SERIES 2020A  
(COUNTY FACILITIES PROJECTS)**

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

**October \_\_, 2020\***

for the purchase of all, but not less than all, of the Authority’s \$ \_\_\_\_\_ \* Prince William County Facilities Revenue and Refunding Bonds, Series 2020A (County Facilities Projects) (the “Bonds”), dated the date of their delivery and maturing, subject to the right of prior redemption as hereinafter set forth, on the following dates and in the following amounts, respectively:

**Initial Maturity Schedule for the Bonds\***

<u>Maturity</u>	<u>Principal Amount*</u>	<u>Maturity</u>	<u>Principal Amount*</u>
4/1/2021		10/1/2031	
10/1/2021		10/1/2032	
10/1/2022		10/1/2033	
10/1/2023		10/1/2034	
10/1/2024		10/1/2035	
10/1/2025		10/1/2036	
10/1/2026		10/1/2037	
10/1/2027		10/1/2038	
10/1/2028		10/1/2039	
10/1/2029		10/1/2040	
10/1/2030			

---

\* Preliminary, subject to change.

The Authority reserves the right to change the date for receipt of bids (the “Scheduled Bid Date”) in accordance with the section of this Notice of Sale entitled “Change of Bid Date and Closing Date; Other Changes to Notice of Sale.”

**BID PARAMETERS TABLE FOR THE BONDS\***

INTEREST		PROCEDURAL	
Dated Date:	Date of Delivery	Sale Date and Time:	Bids due October __, 2020, at [11:00] a.m. Local Time
Anticipated Delivery/Closing Date:	October __, 2020	Bid Submission:	Electronic bids through BiDCOMP/PARITY Only
Interest Payments Dates:	April 1 and October 1	All or None?	Yes
First Interest Payment Date:	April 1, 2021	Bid Award Method:	Lowest TIC
Coupon Multiples:	1/8 or 1/20 of 1%	Good Faith Deposit:	1% of the Bid Maturity Schedule, as more fully described on page F-6, under “Good Faith Deposit”
Zero Coupons:	Not Permitted	Max TIC	No Limit
Split Coupons:	Not Permitted		
PRINCIPAL		PRICING	
Optional Redemption:	Non-callable	Max. Aggregate Bid Price:	___%
Post-bid Principal Increases in Aggregate:	10%	Min. Aggregate Bid Price:	[100%]
Post-bid Principal Reductions in Aggregate:	10%	Max. Price per Maturity:	No Limit
Term Bonds:	Any two or more consecutive maturities may be designated as Term Bonds	Min. Price per Maturity:	No Limit
		High Coupon per Maturity:	Not to exceed [5.00%]
		Low Coupon per Maturity:	Zero

\* Subject to the detailed provisions of this Notice of Sale.

**Changes to Initial Maturity Schedule for the Bonds**

The Initial Maturity Schedule for the Bonds (the “Initial Maturity Schedule”) set forth on page 1 represents an estimate of the principal amount of Bonds to be sold. The Authority hereby reserves the right to change the Initial Maturity Schedule, based on market conditions prior to the sale, by announcing any such change not later than 30 minutes prior to the announced time and date for receipt of bids via TM3 (www.tm3.com). The resulting schedule of maturities will become

the “Bid Maturity Schedule” for the Bonds. If no such change is announced, the Initial Maturity Schedule will become the Bid Maturity Schedule for the Bonds.

### **Changes to Bid Maturity Schedule**

The Authority hereby further reserves the right to change the Bid Maturity Schedule after the determination of the winning bidder, by increasing or decreasing the aggregate principal amount of the Bonds, subject to the limitation of no more than a 10% increase or decrease in the aggregate principal amount.

THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING TERMS (AS HEREAFTER DEFINED) AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the final aggregate principal amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriters’ discount and original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of the Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Terms. The interest rates specified by the successful bidder for the various maturities at the Initial Reoffering Terms will not change. The Authority anticipates that the final annual principal amounts and the final aggregate principal amount of the Bonds will be communicated to the successful bidder within twenty-four hours of the Authority’s receipt of the initial public offering prices and yields of the Bonds (the “Initial Reoffering Terms”).

### **Book-Entry System**

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity of the Bonds will be issued to The Depository Trust Company, New York, New York (“DTC”), and immobilized in its custody. The book-entry system will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 and any multiple thereof, with transfers of beneficial ownership interests effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. Interest on the Bonds will be payable on each April 1 and October 1, the first interest payment date being April 1, 2021, and principal of and any redemption premium on the Bonds will be payable at maturity or upon prior redemption, to DTC or its nominee as registered owner of the Bonds. Transfer of principal, interest and any redemption payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Authority will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Authority determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Authority will discontinue the book-entry system with DTC. If the Authority fails to select another qualified securities depository to replace DTC, the Authority will deliver replacement Bonds in the form of fully registered certificates.

## **The Bonds**

The Bonds are being issued to provide funds to (i) finance the improvement of certain property to be used by Prince William County, Virginia (the “County”), as described in the Preliminary Official Statement (collectively, the “2020 Projects”), (ii) refund certain Park Facilities County Contribution Revenue Bonds, Series 2010 (the “2010 Park Bonds”), issued by the Prince William County Park Authority (now consolidated with the County), which refinanced certain County facility projects (together with the 2020 Projects, the “Projects”), and (iii) and pay costs of issuance of the Bonds.

The Bonds are payable from installment payments to be made by the County under an Installment Purchase Contract, dated as of October 1, 2020, between the Authority and the County (the “Installment Purchase Contract”), pursuant to which the Authority has sold to the County the Authority’s interest in the Projects. The obligation of the County to make payments under the Installment Purchase Contract in each fiscal year of the County is absolute and unconditional but subject to and contingent upon the annual appropriation of funds by the Board of County Supervisors of the County for such purpose. The Bonds, the Authority’s Prince William County Facilities Revenue and Refunding Bonds, Series 2016A (County Facilities Projects), and any additional bonds issued under the Master Trust Agreement will be secured on a parity by payments due under payment agreements including terms similar to the terms of the Installment Purchase Contract.

## **Term Bonds and Mandatory Redemption**

The successful bidder of the Bonds may designate two or more of the consecutive serial maturities to be a term bond maturity equal in aggregate principal amount, and with sinking fund requirements corresponding, to such designated serial maturities.

## **Optional Redemption and Extraordinary Optional Redemption**

Except under the circumstances described in the following paragraph, the Bonds maturing on or before [October 1, 2030], are not subject to redemption prior to their stated date of maturity. The Bonds maturing after [October 1, 2030], are subject to redemption at the option of the Authority, in whole or in part, at any time on or after [October 1, 2030], at a redemption price equal to the principal amount of the Bonds to be redeemed plus interest accrued thereon to the redemption date.

The Bonds are subject to extraordinary optional redemption, in whole or in part on any date, at a price equal to the principal amount thereof, together with interest thereon accrued to the date of redemption, upon the exercise by the Authority of its option to prepay the purchase price of a Project or portion thereof, pursuant to the Installment Purchase Contract when proceeds of an

insurance or condemnation award are received and such proceeds are not used to repair, reconstruct or restore the affected Project, as applicable.

### ***Electronic Bidding and Bidding Procedures***

#### **Registration to Bid**

All prospective bidders must be contracted customers of i-Deal LLC's BiDCOMP/Parity Competitive Bidding System. If you do not have a contract with BiDCOMP/Parity, call (212) 404-8102 to inquire about becoming a customer. By submitting a bid for the Bonds, a prospective bidder represents and warrants to the Authority that such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds. By contracting with BiDCOMP/Parity, a prospective bidder is not obligated to submit a bid in connection with the sale.

**IF ANY PROVISIONS OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BiDCOMP/Parity AS APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE OF SALE, AS IT MAY BE AMENDED BY THE AUTHORITY AS DESCRIBED WITHIN, SHALL CONTROL.** Further information about BiDCOMP/Parity, including any fee charged, may be obtained from BiDCOMP/Parity at (212) 404-8102.

#### **Disclaimer**

Each prospective bidder shall be solely responsible to register to bid via BiDCOMP/Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BiDCOMP/Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Authority nor BiDCOMP/Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Authority nor BiDCOMP/Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, BiDCOMP/Parity. The Authority is using BiDCOMP/Parity as a communication mechanism, and not as the Authority's agent, to conduct the electronic bidding for the Bonds. The Authority is not bound by any advice and determination of BiDCOMP/Parity to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BiDCOMP/Parity are the sole responsibility of the bidders, and the Authority is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Bonds, it should telephone BiDCOMP/Parity and notify PFM Financial Advisors LLC, the Authority's financial advisor, by telephone at (571) 527-5124. After receipt of bids is closed, the Authority through BiDCOMP/Parity will indicate the apparent successful bidder. Such message is a courtesy only for viewers and does not constitute the award of the Bonds. Each bid will remain subject to review by the Authority to determine its true interest cost rate and compliance with the terms of this Notice of Sale.

## **Bidding Procedures**

Bids must be submitted electronically for the purchase of all, but not less than all, of the Bonds by means of the Industrial Development Authority of the County of Prince William AON (all or none) Bid Form (the “Bid Form”), via BiDCOMP/Parity. Bids must be communicated electronically to BiDCOMP/Parity by 11:00 a.m., Prince William, Virginia Time on the Scheduled Bid Date unless postponed as described herein (see “Change of Bid Date and Closing Date; Other Changes to Notice of Sale”). Prior to that time, a prospective bidder may input and save the proposed terms of its bid in BiDCOMP/Parity. Once the final bid has been saved in BiDCOMP/Parity, the bidder may select the final bid button in BiDCOMP/Parity to submit the bid to BiDCOMP/Parity. Once the bids are released electronically via BiDCOMP/Parity to the Authority, each bid will constitute an **IRREVOCABLE** offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on BiDCOMP/Parity shall constitute the official Prince William, Virginia Time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Authority, as described under “Award of Bonds” below, represented by the rate or rates of interest and the bid price specified in their respective bids.

### **REVOCABLE BIDS ARE NOT PERMITTED.**

**By submitting a bid for the Bonds, each underwriter certifies it has an established industry reputation for underwriting new issuances of municipal bonds.** The Authority will not accept bids from firms without an established industry reputation for underwriting new issuances of municipal bonds.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via BiDCOMP/Parity. No bid will be received after the time for receiving such bids specified above.

## **Good Faith Deposit**

After receipt of bids is closed and prior to the award, the apparent successful bidder indicated on BidCOMP/Parity must submit a good faith deposit (the “Deposit”) for 1% of the aggregate par amount set forth in Bid Maturity Schedule to the Authority for the benefit of the Authority by wire transfer. The award to the apparent successful bidder is contingent upon receipt of the Deposit, and the Bonds will not be awarded to such bidder until the Authority has confirmation of receipt of the Deposit. The wire information will be provided to the apparent successful bidder shortly after the bidding deadline.

The proceeds of the Deposit will be held as security for the performance of the successful bidder’s bid and applied to the purchase price of the Bonds, but, in the event the successful bidder shall fail to comply with the terms of its bid, the Deposit will be retained as and for full liquidated damages. No interest will be allowed thereon.



## **Award of Bonds**

Award or rejection of bids will be made by the Authority within 24 hours of the closing of receipt of bids. ALL BIDS SHALL REMAIN FIRM UNTIL AN AWARD OR REJECTION HAS BEEN MADE.

The Bonds will be awarded to the bidder offering to purchase the Bonds at the lowest “True or Canadian” interest cost (“TIC”), such cost to be calculated by determining the annual interest rate (compounded semiannually) at which the sum of the payments of the principal of and the interest on the Bonds discounted from their payment dates to the dated date of the Bonds equals the aggregate price bid of the Bonds. If two or more bidders offer to purchase the Bonds at the same lowest TIC, the successful bidder will be selected by the Authority.

## **Initial Reoffering Terms**

The apparent successful bidder shall provide the initial public offering prices to the public (the “Initial Public Offering Prices”) and yields of each maturity of the Bonds (collectively the “Initial Reoffering Terms”) within 30 minutes of receipt of notice that it is the apparent winning bidder.

## **Right of Rejection**

The Authority expressly reserves the right (i) to waive any informalities, (ii) to reject all bids, any incomplete bid or any bid not fully complying with all of the requirements set forth herein, and (iii) to solicit new bids or proposals for the sale of the Bonds or otherwise provide for the public sale of the Bonds if all bids are rejected or the winning bidder defaults, including, without limitation, sale of the Bonds to one or more of the losing or rejected bidders without regard to their original bid or its relationship to any other bid.

## **Change of Bid Date and Closing Date; Other Changes to Notice of Sale**

The Authority reserves the right to postpone, from time to time, the date and time established for the receipt of bids and will undertake to announce any such change via TM3 ([www.tm3.com](http://www.tm3.com)).

Any postponement of the bid date will be announced via TM3 not later than one hour prior to the announced time for receipt of the bids. An alternative bid date and time will be announced via TM3 at least 18 hours prior to such alternative bid date.

On such alternative bid date and time, the Authority will accept bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for bidding and any other changes announced via TM3 at the time the bid date and time are announced.

The Authority may change the scheduled delivery date for the Bonds by notice given in the same manner as set forth for a change in the date for the receipt of bids.

The Authority reserves the right to otherwise change this Notice of Sale. The Authority anticipates that it would communicate any such changes via TM3 by 4:00 p.m., Prince William, Virginia Time on the date prior to the scheduled date for receipt of bids but no later than 30 minutes prior to the scheduled time and date for receipt of bids.

### **Conflict Waiver**

Norton Rose Fulbright US LLP is serving as Bond Counsel in connection with the issuance and sale of the Bonds. By placing a bid, each bidder represents that it understands that Norton Rose Fulbright US LLP, in its capacity as Bond Counsel, represents the Authority and the County, and the successful bidder waives any conflict of interest that Norton Rose Fulbright US LLP's involvement in connection with the issuance and sale of the Bonds to such successful bidder presents.

### **Establishment of Issue Price**

The successful bidder shall assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority prior to the Closing Date a certificate acceptable to Bond Counsel setting forth the reasonably expected Initial Public Offering Price, or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary in the reasonable judgment of the successful bidder, the Authority or Bond Counsel.

The Authority intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) the Authority shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Authority may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Authority anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

If the Authority receives fewer than three bids that conform to the parameters contained herein such that the competitive sale requirements are not satisfied, the Authority intends to treat the Initial Public Offering Price of each maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"). Consequently, each bidder should assume for purposes of making its bid that for each maturity of the Bonds, the Authority will treat the Initial Public Offering Prices as of the Sale Date of the Bonds as the issue price of the Bonds. The Authority will advise the apparent winning bidder within one hour of receipt of bids if the hold-the-offering-

price rule will apply. Attached as Exhibit B is a form of the issue price certificate to be provided by the successful bidder to the Authority prior to the Closing Date if the competitive sale requirements are not satisfied and the hold-the-offering-price rule is applied. Exhibit B is provided in form only and may be modified as may be appropriate or necessary in the reasonable judgment of the successful bidder, the Authority or Bond Counsel.

By submitting a bid, the successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds, (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or before the date that the Bonds are awarded by the Authority to the successful bidder (“Sale Date”) at the Initial Public Offering Prices set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell any maturity of the Bonds to any person at a price that is higher than the Initial Public Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; and
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Public Offering Price for such maturity.

The successful bidder shall promptly advise the Authority when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Public Offering Price if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

The Authority acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer that is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that:

- (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each

underwriter, each dealer that is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) “public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public), and
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

### **Undertakings of the Successful Bidder**

The successful bidder shall make a bona fide public offering of all of the Bonds to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers who are not purchasing for their own account as ultimate purchasers without a view to resell) and will, within 30 minutes after being notified of the award of the Bonds, advise the Authority in writing of the Initial Reoffering Terms. Prior to the delivery of the Bonds, the successful bidder will furnish a certificate acceptable to Bond Counsel as to the “issue price”

of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended. It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty.

## **Delivery**

The Bonds will be delivered on or about October \_\_, 2020, in New York, New York, at DTC against payment of the purchase price therefor (less the amount of the Deposit) in Federal Reserve funds.

The approving opinion of Norton Rose Fulbright US LLP, Washington, D.C., in substantially the form appearing in the Preliminary Official Statement, will be furnished without cost to the successful bidder. There will also be furnished the usual closing papers, including certifications as to the Official Statement and no-litigation.

## **CUSIP Numbers**

Application for CUSIP numbers with respect to the Bonds will be made by the Authority's financial advisor, but neither the failure to print CUSIP numbers on the Bonds nor any improperly printed CUSIP numbers shall constitute cause for failure or refusal by the successful bidder to accept delivery or make payment for the Bonds. The CUSIP Service Bureau's charge for the assignment of numbers shall be paid by the successful bidder.

## **Official Statements**

Copies of the Preliminary Official Statement may be obtained without cost via the Internet at [www.i-dealprospectus.com](http://www.i-dealprospectus.com) or [www.muniplatform.com/offering](http://www.muniplatform.com/offering). The Preliminary Official Statement at its date is "deemed final" by the Authority for purposes of the Securities and Exchange Commission Rule 15c2-12 adopted under the Securities Exchange Act of 1934, as amended (the "Rule"), but is subject to revision, amendment and completion.

After the award of the Bonds, the Authority will prepare copies of the Official Statement (no more than 200) and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request; provided, however, that the Authority will not include in the Official Statement a "NRO" ("not reoffered") designation with respect to any maturity of the Bonds. The successful bidder will be responsible to the Authority in all respects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering. The Authority expects the successful bidder to deliver copies of such Official Statement to persons to whom such bidder initially sells the Bonds and to The Electronic Municipal Market Access System ("EMMA") administered by the Municipal Securities Rulemaking Board. The successful bidder will be required to acknowledge receipt of such Official Statement, to certify that it has made delivery of the Official Statement to EMMA and to acknowledge that the Authority expects the successful bidder to deliver copies of such Official Statement to persons to whom such bidder initially sells the Bonds and to certify that the Bonds will only be offered pursuant to such Official Statement and only in states where the offer is legal. The successful bidder will be responsible to the Authority in all respects for the accuracy

and completeness of information provided by such successful bidder with respect to such reoffering.

In general, the Rule prohibits an underwriter from purchasing or selling municipal securities, such as the Bonds, unless it has determined that the issuer of such securities has committed to provide annually certain information, including audited financial information, and notice of various events described in the Rule, if material. The Authority will provide to EMMA annual information respecting the Authority, including audited financial statements. In addition, the Authority will provide to EMMA the required notice of the occurrence of any events described in the Rule.

Official Statements will be provided within seven (7) business days after the date of the award of the Bonds in such quantities as may be necessary for the successful bidder's regulatory compliance.

Further information will be furnished upon application to Sarah Frey of PFM Financial Advisors LLC (571) 527-5124.

**Reservation of Rights**

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

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

**By: Laurie C. Wieder, Secretary/Treasurer**

**Exhibit A**

**\$(PRINCIPAL AMOUNT)  
INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE  
WILLIAM  
PRINCE WILLIAM COUNTY FACILITIES REVENUE AND REFUNDING BONDS  
SERIES 2020A  
(COUNTY FACILITIES PROJECTS)**

**ISSUE PRICE CERTIFICATE  
(for Competitive Sales to be modified if Hold-the-Offering-Price Rule applies)**

The undersigned, on behalf of [NAME OF UNDERWRITER] (the “Purchaser”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”) of the Industrial Development Authority of the County of Prince William, Virginia (the “Issuer”).

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_, 2020.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the



initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[NAME OF UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**SCHEDULE A TO ISSUE PRICE CERTIFICATE**  
**EXPECTED OFFERING PRICES**

*(Attached)*

**SCHEDULE B TO ISSUE PRICE CERTIFICATE**

[Copy of Bid Submitted by Underwriter]

**Exhibit B**

**§[PRINCIPAL AMOUNT]  
INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE  
WILLIAM  
PRINCE WILLIAM COUNTY FACILITIES REVENUE AND REFUNDING BONDS  
SERIES 2020A  
(COUNTY FACILITIES PROJECTS)**

**ISSUE PRICE CERTIFICATE  
(if Hold-the-Offering-Price Rule applies)**

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”) [and the other members of the underwriting syndicate (together, the “Underwriting Group”)], hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of the Industrial Development Authority of the County of Prince William, Virginia (the “Issuer”).

**1. *Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the [Bond Purchase Agreement][Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER][The Underwriting Group] agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail or other third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail or other third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

**2. *Defined Terms.***

(a) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(b)  *Holding Period*  means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which [SHORT NAME OF UNDERWRITER][The Underwriting Group] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(c)  *Maturity*  means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d)  *Public*  means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(e)  *Sale Date*  means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [date of award].

(f)  *Underwriter*  means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[NAME OF UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**SCHEDULE A**

**INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

*(Attached)*

**SCHEDULE B**  
**PRICING WIRE OR EQUIVALENT COMMUNICATION**

*(Attached)*

NEW ISSUE

*In the opinion of Bond Counsel, assuming compliance with the provisions of the Internal Revenue Code of 1986, as amended, as described herein, and subject to conditions described in “TAX MATTERS” herein, interest on the Series 2020A Bonds will not be included in the gross income of the owners thereof for federal income tax purposes. Under the Enabling Act (as defined herein), the income on the Series 2020A Bonds, including any profit made on the sale thereof, is exempt from all taxation by the Commonwealth of Virginia or any political subdivision thereof. See “TAX MATTERS” herein for certain provisions regarding the Code that may affect the tax treatment of interest on the Series 2020A Bonds for certain bondholders.*

\$ \_\_\_\_\_ \*

**Industrial Development Authority of the County of Prince William (Virginia)  
Prince William County Facilities Revenue and Refunding Bonds  
Series 2020A  
(County Facilities Projects)**

**Dated: Date of Delivery**

**Due: as shown on the inside cover page**

Interest on the Series 2020A Bonds is payable on April 1 and October 1 of each year, commencing April 1, 2021.

The Series 2020A Bonds are subject to optional, extraordinary optional [and mandatory sinking fund redemption] prior to maturity as more fully described herein.

The Series 2020A Bonds will be issued under the Master Trust Agreement, dated as of April 1, 2016 (the “Master Trust Agreement”), as supplemented by the Second Supplemental Trust Agreement, dated as of October 1, 2020, each between the Industrial Development Authority of the County of Prince William (the “Authority”) and U.S. Bank National Association, as trustee (in such capacity, the “Trustee”). The Series 2020A Bonds will be issued as fully registered bonds registered in the name of Cede & Co., as nominee of DTC, The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2020A Bonds. Individual purchases of the Series 2020A Bonds will be made in book-entry form only in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their ownership interest in the Series 2020A Bonds purchased. So long as DTC or its nominee is the registered owner of the Series 2020A Bonds, payments of the principal of and interest due on the Series 2020A Bonds will be made directly to DTC.

The Series 2020A Bonds are being issued to provide funds to (i) finance the improvement of certain property to be used by Prince William County, Virginia (the “County”), as described herein (collectively, the “2020 Projects”), (ii) refund certain Park Facilities County Contribution Revenue Bonds, Series 2010 (the “2010 Park Bonds”), issued by the Prince William County Park Authority, which refinanced certain County facility projects (the “Prior Projects” and, together with the Prior Projects, the “Projects”), and (iii) pay costs of issuance of the Series 2020A Bonds.

The Series 2020A Bonds are payable from installment payments to be made by the County under an Installment Purchase Contract, dated as of October 1, 2020, between the Authority and the County (the “Installment Purchase Contract”), pursuant to which the Authority has sold to the County the Authority’s interest in the Projects. The obligation of the County to make payments under the Installment Purchase Contract in each fiscal year of the County is absolute and unconditional but subject to and contingent upon the annual appropriation of funds by the Board of County Supervisors of the County for such purpose. The Series 2020A Bonds and any additional bonds issued under the Master Trust Agreement will be secured on a parity by payments due under payment agreements including terms similar to the terms of the Installment Purchase Contract.

**The Series 2020A Bonds are not a debt of County, the Authority, the Commonwealth of Virginia or any other political subdivision thereof, within the meaning of any constitutional, charter, or statutory debt limit or restriction, nor is the full faith and credit of the County, the Authority or the Commonwealth of Virginia pledged to the payment of the Series 2020A Bonds or the interest thereon. The Authority has no taxing power.**

*The Series 2020A Bonds are being offered for delivery when, as and if issued and subject to the approval of legality by Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel. Certain legal matters will be passed upon for the Authority by McGuireWoods LLP, Tysons, Virginia, and for the County by Michelle R. Robl, Esquire, County Attorney. The Series 2020A Bonds are expected to be available for delivery through the facilities of DTC in New York, New York, on or about October \_\_, 2020.*

Dated: October \_\_, 2020

\* Preliminary, subject to change.

*This Preliminary Official Statement and the information contained herein are subject to completion or amendment. 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 these securities 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.*



\$ \_\_\_\_\_ \*

**Industrial Development Authority of the County of Prince William (Virginia)**  
**Prince William County Facilities Revenue and Refunding Bonds**  
**Series 2020A**  
**(County Facilities Projects)**

**Base CUSIP<sup>†</sup> Number 741752**

**Dated: Date of Delivery**

**Due: as shown below**

**MATURITY, AMOUNTS, INTEREST RATES AND PRICES/YIELDS\***

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>CUSIP<sup>†</sup> Suffix</u>
4/1/2021				
10/1/2021				
10/1/2022				
10/1/2023				
10/1/2024				
10/1/2025				
10/1/2026				
10/1/2027				
10/1/2028				
10/1/2029				
10/1/2030				
10/1/2031				
10/1/2032				
10/1/2033				
10/1/2034				
10/1/2035				
10/1/2036				
10/1/2037				
10/1/2038				
10/1/2039				
10/1/2040				

† CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only, and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Bonds.

---

\* Preliminary, subject to change.

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

Patrick F. O’Leary, *Chairman*  
Lorna P. Wallen, *Vice-Chairman*  
Laurie C. Wieder, *Secretary/Treasurer*  
Harry H. Horning, II  
Bobby Long  
Dexter Montgomery  
J. Andrew Taylor

---

**AUTHORITY’S COUNSEL**  
McGuireWoods, LLP

---

**PRINCE WILLIAM COUNTY, VIRGINIA**

**BOARD OF COUNTY SUPERVISORS**

Ann B. Wheeler, *Chair*  
Victor S. Angry, *Vice Chair*  
Andrea O. Bailey  
Kenny A. Boddye  
Pete K. Candland  
Margaret Angela Franklin, *Chair Pro-Tem*  
Jeanine M. Lawson  
Yesli Vega

**COUNTY OFFICIALS**

Christopher E. Martino, *County Executive*  
Michelle A. Casciato, *Deputy County Executive*  
Rebecca Horner, *Deputy County Executive*  
Elijah Johnson, *Deputy County Executive*  
Michelle L. Attreed, *Director Of Finance*

**COUNTY ATTORNEY**

Michelle R. Robl, Esquire, *County Attorney*

---

**FINANCIAL ADVISOR**

PFM Financial Advisors LLC  
Arlington, Virginia

**BOND COUNSEL**

Norton Rose Fulbright US LLP  
Washington, D.C.

No dealer, salesman or other person has been authorized to give any information or to make any representations, other than the information contained in this Official Statement, in connection with the offering of the Series 2020A Bonds, and, if given or made, such information or representations must not be relied upon as having been authorized by the Authority, the County, or the Underwriters. The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the County since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The information set forth herein has been obtained from the Authority or the County and other sources that are believed to be reliable.

*Forward looking statements.* Certain statements contained in this Official Statement that are not historical facts are forward looking statements, which are based on the Authority's or the County's beliefs, as well as assumptions made by, and information currently available to, them. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. The words "anticipate," "assume," "estimate," "expect," "objective," "projection," "forecast," "goal," "budget," or similar words are intended to identify forward looking statements. The words "now," "to date," "currently" and the like are intended to mean as of the date of this Official Statement.

*The Authority has provided the following sentence for inclusion in this Official Statement.* The Authority does not assume any responsibility as to the accuracy or completeness of the information contained in this Official Statement, other than that contained under the captions "**THE AUTHORITY**" and the first paragraph under "**LITIGATION.**"

The registration or qualification of the offer and sale of the Series 2020A Bonds (as distinguished from registration of the ownership of the Series 2020A Bonds) is not required under the federal Securities Act of 1933, as amended, or the Virginia Uniform Securities Act, as amended. **THE AUTHORITY ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE SERIES 2020A BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE SERIES 2020A BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED.**

The Trustee has neither reviewed nor participated in the preparation of this Official Statement.

The cover and inside cover pages hereof, this page and the appendices attached hereto are integral parts of this Official Statement.

**TABLE OF CONTENTS**

	<u>Page</u>		<u>Page</u>
INTRODUCTION .....	1	LEGAL MATTERS .....	18
THE AUTHORITY .....	3	LEGALITY FOR INVESTMENTS .....	18
THE COUNTY .....	3	LITIGATION.....	18
THE PROJECTS.....	4	FINANCIAL ADVISOR .....	18
REFUNDING PLAN.....	5	SALE AT COMPETITIVE BIDDING.....	18
ESTIMATED SOURCES AND USES		CONTINUING DISCLOSURE	
OF FUNDS .....	6	UNDERTAKING.....	19
THE SERIES 2020A BONDS .....	6	MISCELLANEOUS .....	19
General .....	6	PRELIMINARY OFFICIAL	
Redemption of Series 2020A Bonds.....	6	STATEMENT DEEMED FINAL.....	S-1
Book-Entry Only System.....	8		
SECURITY AND SOURCES OF			
PAYMENT FOR THE SERIES			
2020A BONDS .....	10	APPENDIX A – Information Relating to Prince	
Pledge of Trust Agreement.....	10	William County	
Basic Contract Payments and Additional		APPENDIX B – Financial Statements of Prince	
Contract Payments .....	10	William County for the Year Ended June 30,	
Budget and Appropriation .....	11	2019, and Independent Auditor’s Report	
Limited Obligations.....	11	APPENDIX C – Summary of Certain Documents	
Additional Bonds.....	11	Provisions	
No Reserve Fund .....	12	APPENDIX D – Form of Bond Counsel	
Casualty and Liability Insurance .....	13	Opinion	
Casualty, Condemnation.....	13	APPENDIX E – Form of Continuing	
DEBT SERVICE REQUIREMENTS.....	14	Disclosure Agreement	
CERTAIN INVESTMENT		APPENDIX F – Notice of Sale	
CONSIDERATIONS.....	14		
Non-Appropriation or Default on the Contract.....	14		
Non-Appropriation or Default on Other			
Payment Agreement.....	15		
TAX MATTERS.....	15		
Opinion of Bond Counsel.....	15		
Original Issue Discount .....	15		
Bond Premium.....	16		
Backup Withholding.....	16		
Other Tax Consequences.....	17		
Future Tax Developments.....	17		
RATINGS .....	17		

## OFFICIAL STATEMENT

§ \_\_\_\_\_\*

**Industrial Development Authority of the County of Prince William  
Prince William County Facilities Revenue and Refunding Bonds  
Series 2020A  
(County Facilities Projects)**

### INTRODUCTION

The purpose of this Official Statement, including the cover page and the Appendices hereto, is to set forth certain information regarding \$ \_\_\_\_\_\* aggregate principal amount of Prince William County Facilities Revenue and Refunding Bonds Series 2020A (County Facilities Projects) (the “Series 2020A Bonds”) to be issued by the Industrial Development Authority of the County of Prince William (the “Authority”). The Series 2020A Bonds are being issued pursuant to the Constitution and laws of the Commonwealth of Virginia, including the Industrial Development and Revenue Bond Act, Title 15.2 Chapter 49 of the Code of Virginia, as amended, and other applicable law (the “Enabling Act”), and the provisions of a Master Trust Agreement, dated as of April 1, 2016, as supplemented by a Second Supplemental Trust Agreement, dated as of October 1, 2020 (collectively, the “Trust Agreement”), each between the Authority and U.S. Bank National Association, as trustee (in such capacity, the “Trustee”).

All capitalized, undefined terms used herein shall have the meanings set forth in Appendix C, “SUMMARY OF CERTAIN DOCUMENTS PROVISIONS – Definitions.”

The Authority previously issued \$26,290,000 aggregate principal amount of its Prince William County Facilities Revenue and Refunding Bonds, Series 2016A (County Facilities Projects) (the “Series 2016A Bonds”) under the Trust Agreement and a First Supplemental Trust Agreement, dated as of April 1, 2016. The Series 2020A Bonds, together with the Series 2016A Bonds, any Additional Bonds and Refunding Bonds issued pursuant to the Trust Agreement, are collectively referred to herein as the “Bonds.” Proceeds of the Series 2016A were used to finance certain County facilities, as described under the caption “THE PROJECTS.”

The Series 2020A Bonds are being issued for the purpose of providing funds to (i) finance the improvement of certain property to be used by Prince William County, Virginia (the “County”), as the Phase 2 expansion of the Adult Detention Center (the “ADC Project”), a new Animal Shelter (the “Animal Shelter Project”) and the Mid-County Fire Station 22 (the “Fire Station Project” and collectively with the ADC Project and the Animal Shelter Project (collectively, the “2020 Projects”), (ii) refund the outstanding Park Facilities County Contribution Revenue Bonds, Series 2010 (the “2010 Park Bonds”), issued by the Prince William County Park Authority, which has since been consolidated with the County, to refinance certain park facilities (the “Prior Projects” and, together with the 2020 Projects, the “Projects”) and (iii) and pay costs of issuance of the Series 2020A Bonds. As used in this Official Statement, “Projects” does not include facilities financed or refinanced with proceeds of the Series 2016A Bonds. See “THE PROJECTS,” “REFUNDING PLAN” and “ESTIMATED SOURCES AND USES OF FUNDS.”

Simultaneously with the execution and delivery of the Trust Agreement, the Authority and the County will enter into an Installment Purchase Contract, dated as of October 1, 2020, with respect to the Projects (the “Contract”). Under the Contract, the Authority will agree (1) to sell its interests in the

---

\* Preliminary, subject to change.

Projects to the County in consideration of the County's (i) undertaking responsibility for the Projects, and (ii) agreement to pay a purchase price for the Projects, and interest thereon, sufficient for the Authority to pay timely the debt service on the Series 2020A Bonds and (2) to make available to the County proceeds of the Series 2020A Bonds to pay the cost of constructing and equipping the 2020 Projects and to refund the Refunded Bonds (as hereinafter defined). See Appendix C, "SUMMARY OF CERTAIN DOCUMENTS PROVISIONS – The Installment Purchase Contract."

Under the Contract, the County has agreed to make "Basic Contract Payments" sufficient to pay the principal of and interest on the Series 2020A Bonds. Under the Contract, the County has also agreed to make "Additional Contract Payments" (together with "Basic Contract Payments," the "Contract Payments") in amounts sufficient, among other purposes, to pay the Authority's expenses allocable to the Contract and for the Authority to pay timely the compensation and expenses of the Trustee. Under the Trust Agreement, the Authority has assigned its right to receive the Contract Payments (except those Additional Contract Payments required to pay certain Authority expenses) to the Trustee for the benefit of the owners of the Series 2020A Bonds. The obligation of the County to make Basic Contract Payments and Additional Contract Payments and any other payments required under the Contract in each fiscal year is a valid and binding obligation of the County but is subject to and contingent upon the annual appropriation of funds by the Board of County Supervisors of the County (the "Board of County Supervisors") for such purpose. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020A BONDS – Basic Contract Payments and Additional Contract Payments" and "CERTAIN INVESTMENT CONSIDERATIONS."

The Series 2020A Bonds are limited obligations of the Authority payable solely from the revenues pledged under the Trust Agreement. Neither the faith and credit of the Commonwealth of Virginia (the "State" or the "Commonwealth"), nor any political subdivision thereof (including the Authority and the County), are pledged to the payment of the principal of or the interest or premium, if any, on the Series 2020A Bonds.

The Series 2020A Bonds are not a debt of County, the Authority, the Commonwealth of Virginia or any other political subdivision thereof, within the meaning of any constitutional, charter, or statutory debt limit or restriction, nor is the full faith and credit of the County, the Authority or the Commonwealth of Virginia pledged to the payment of the Series 2020A Bonds or the interest thereon. The Authority has no taxing power.

Brief descriptions of the Authority, the County, the Projects, the Refunding Candidates (as defined herein), the Series 2020A Bonds, the security for the Series 2020A Bonds, the Trust Agreement, the Contract, and related documents are included in this Official Statement. The descriptions of the documents included in this Official Statement do not purport to be comprehensive or definitive and are qualified in their entirety by reference to such documents.

Certain financial and operating data contained herein and in particular in Appendices A and B are as of the dates and for the periods indicated, which were prior to the outbreak of the COVID-19 pandemic. Such historical financial and operating data have not been updated to reflect any potential impacts of the COVID-19 pandemic on the County's general economic and financial condition.

Inquiries on this Official Statement may be directed to Ms. Michelle L. Attreed, Director of Finance, Prince William County, 1 County Complex Court, Prince William, Virginia, 22192, telephone (703) 792-6700, or to Ms. Sarah Frey, PFM Financial Advisors LLC, 4350 North Fairfax Drive, Suite 580, Arlington, Virginia 22203-1547, telephone (571) 527-5124.

## THE AUTHORITY

The Authority was created pursuant to the Enabling Act to foster and stimulate the development of industry within Prince William County and is a political subdivision of the Commonwealth. It is governed by seven commissioners appointed by the Board of County Supervisors. The Authority is empowered by the Enabling Act to, among other things, acquire, construct, own, lease and dispose of various types of facilities, including facilities for use by a county, a municipality, the Commonwealth and its agencies, or other governmental organization, and to finance the same by the issuance of its revenue bonds for such purposes. The Authority has no taxing power.

The members of the Board of Directors of the Authority and the expiration dates of their respective terms in office are set forth below.

<u>Member</u>	<u>Term Expires</u>
Patrick F. O’Leary, <i>Chairman</i>	9/11/2022
Lorna P. Wallen, <i>Vice Chairman</i>	9/11/2023
Laurie C. Wieder, <i>Secretary/Treasurer</i>	9/11/2022
Harry H. Horning, II	9/11/2020
Bobby Long	9/11/2021
Dexter Montgomery	9/11/2021
J. Andrew Taylor	9/11/2021

Under the Enabling Act, a Director whose term has expired will continue to hold office until a successor is appointed and qualified.

The Authority has acted as a conduit issuer of bonds other than the Series 2020A Bonds. Only Bonds outstanding under the Trust Agreement, including the Series 2016A Bonds and the Series 2020A Bonds, are payable from payments made under the Contract or other Payment Agreements (hereinafter defined) entered into upon the issuance of other Bonds under the Trust Agreement.

## THE COUNTY

The County is located in the northern Virginia and encompasses a net land area of 348 square miles. The County is part of the Washington, D.C. metropolitan area, which includes jurisdictions in Maryland, the District of Columbia and Northern Virginia.

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

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

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

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

See Appendices A and B for further information regarding the County.

### **THE PROJECTS**

The 2020 Projects financed with the proceeds of the Series 2020A Bonds include the ADC Project, the Animal Shelter Project, and the Fire Station Project.

The ADC Project provides a second expansion adjacent to the County’s existing Adult Detention Center and a parking lot expansion. The ADC Project will provide bed space to alleviate current overcrowding and future inmate population growth. Additionally, the Adult Detention Center Work Release Program will also be relocated from leased space to the Adult Detention Center complex. The County anticipates that approximately \$\_\_\_\_\_ of the cost of the ADC Project will be provided by grants from the Commonwealth of Virginia.

The Animal Shelter Project will consist of a new animal shelter at the existing shelter location at Independent Hill on Dumfries Road in the County. The Animal Shelter Project will replace aging trailers where staff is housed, and several aging/deteriorating outbuildings used for storage. Construction of the new facility will be performed while the existing facility remains operational. Features of the new facility will include expanded animal adoption areas, quarantine and visitation areas, staff training area, veterinarian support space, feed and equipment storage areas, exam and grooming rooms, stray animal kennels, and space to address surge capacity related to animal cruelty and hoarding cases. The design will be in compliance with Association of Shelter Veterinarians facility standards.

The Fire Station Project will consist of the construction of Groveton Station (#22), a Fire and Rescue station to be located at 7500 Century Park Drive in the west end of the County. The 21,000 square-foot station will house a pumper, rescue unit, collapse unit, and an advanced life support ambulance. Career staffing will be provided for a 24-hour pumper unit, 24-hour rescue unit, and a 24-hour medic unit. The building will include sleeping quarters, a kitchen and dayroom, physical fitness room, training room, storage for heavy tactical rescue equipment, and offices. The station will include four apparatus bays, an area for personal protective equipment, and an exterior training tower.

[to be updated] The Prior Projects to be refinanced with proceeds of the Series 2020A Bonds are the General’s Ridge Golf Course and the Splash/Down Water Park. The General’s Ridge Golf Course is an 18-hole golf course with a driving range and Pro Shop, located in Manassas Park, Virginia. The Splash/Down Water Park is an approximately 13-acre outdoor water facility that has various amenities, including a 770-foot “lazy river,” two four-story waterslides, tropical twister waterslides, and a 25-meter pool.



[to be updated] The Series 2016A Bonds, which are secured under the Trust Agreement on a parity with the Series 2020A Bonds, financed the Central District Police Station, a new 54,200 square foot police station serving the central portion of the County. The Central District Police Station is located on Davis Ford Road between Prince William County Parkway and Adsee Lane. The new Central District Police Station contains the Office of the Police Chief, Administration, Criminal Investigation Division and personnel from the Patrol Service Bureau. It is built to accommodate over 200 employees. As used in this Official Statement, “Projects” does not include facilities financed or refinanced with proceeds of the Series 2016A Bonds.

None of the Projects and facilities described under this caption are pledged as security for the repayment of the Series 2016A Bonds or the Series 2020A Bonds.

### REFUNDING PLAN

The Authority will use a portion of the proceeds of the Series 2020A Bonds to provide funds to refund all or a portion of the outstanding 2010 Park Bonds (the “Refunding Candidates”), described in the following table.

#### Refunding Candidates\*

<u>Series of Refunded Bonds</u>	<u>Maturity (April 15)</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP Number</u> †
2010 Park	2021	\$715,000		100%	741764 CJ1
2010 Park	2022	730,000		100	741764 CK8
2010 Park	2023	760,000		100	741764 CL6
2010 Park	2024	790,000		100	741764 CM4
2010 Park	2025	815,000		100	741764 CN2
2010 Park	2026	850,000		100	741764 CP7
2010 Park	2027	750,000		100	741764 CQ5

† CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only, and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2020A Bonds.

The purpose of the refunding is to achieve present value debt service savings. The Authority’s decision whether to refund any given Refunding Candidates is subject to prevailing market conditions at the time of the sale of the Series 2020A Bonds. The Authority may refund only certain Refunding Candidates if refunding such Refunding Candidates permits the Authority to meet certain savings targets. The Refunding Candidates, if any, that are refunded with proceeds of the Series 2020A Bonds are referred to as the “Refunded Bonds.” The final Refunded Bonds will be described in the final Official Statement.

Upon delivery and issuance of the Bonds by the Authority, proceeds thereof will be used to provide for the payment and redemption of the Refunded Bonds by depositing with U.S. Bank National Association, as paying agent for Refunded Bonds, cash in an amount sufficient to pay all principal and interest on the Refunded Bonds to their respective redemption dates.

**ESTIMATED SOURCES AND USES OF FUNDS**

The County currently estimates that the following will be the sources and uses of the proceeds of the Series 2020A Bonds:

**Sources:**

Principal amount of the Series 2020A Bonds	
Net Original Issue Premium/Discount	
Total	_____

**Uses:**

2020 Projects	
Deposit to pay Refunded Bonds	
Costs of Issuance <sup>1</sup>	
Total	_____

<sup>1</sup> Includes Underwriters' discount, legal, financial advisory, printing and other costs of issuing the Series 2020A Bonds.

**THE SERIES 2020A BONDS**

**General**

The Series 2020A Bonds will be dated their date of delivery and will bear interest at the rates and mature, subject to the rights of redemption described below, in the amounts and on the dates set forth on the inside cover pages of this Official Statement. The Series 2020A Bonds will be issuable as fully registered bonds in authorized denominations of \$5,000 and integral multiples thereof. The Regular Record Date for the Series 2020A Bonds will be the 15<sup>th</sup> day (whether or not a business day) of the calendar month next preceding the applicable Interest Payment Date.

Interest on the Series 2020A Bonds is payable on April 1 and October 1 of each year, commencing April 1, 2021 (each an "Interest Payment Date"). Interest is calculated based on a 360-day year consisting of twelve thirty-day months. Principal of the Series 2020A Bonds is payable at maturity, subject to prior redemption as described below under "–Redemption of Series 2020A Bonds." The Series 2020A Bonds will be issued in a book-entry only system of registration, and so long as The Depository Trust Company, New York, New York ("DTC"), or its nominee is the registered owner of the Series 2020A Bonds, payments of the principal, of, premium, if any, and interest on the Series 2020A Bonds will be payable directly to DTC. See "–Book-Entry Only System" below.

**Redemption of Series 2020A Bonds**

*Optional Redemption*

Except under the circumstances described in the following paragraph, the Series 2020A Bonds maturing on or before October 1, 2030, are not subject to redemption prior to their stated date of maturity. The Series 2020A Bonds maturing after October 1, 2030, are subject to redemption at the option of the Authority, in whole or in part, at any time on or after October 1, 2030, at a redemption price equal to the principal amount of the Series 2020A Bonds to be redeemed plus interest accrued thereon to the redemption date.

*Extraordinary Optional Redemption*

The Series 2020A Bonds are subject to extraordinary optional redemption, in whole or in part on any date, at a price equal to the principal amount thereof, together with interest thereon accrued to the date of redemption, upon the exercise by the Board of County Supervisors of the County of its option to prepay the purchase price of a Project or portion thereof, pursuant to the Installment Purchase Contract when proceeds of an insurance or condemnation award are received and such proceeds are not used to repair, reconstruct or restore the affected Project, as applicable. See Appendix C, "SUMMARY OF CERTAIN DOCUMENTS PROVISIONS – Second Supplemental Trust Agreement – *Extraordinary Optional Redemption.*"

*Mandatory Sinking Fund Redemption\**

*[This caption and one or more of the following paragraphs will be included in the final Official Statement only if the successful bidder for the Series 2020A Bonds elects to combine, in accordance with the related Notice of Sale, two or more consecutive serial maturities into any number of term bonds.]*

The Series 2020A Bonds maturing October 1, 20\_\_, and October 1, 20\_\_, are subject to mandatory redemption in part, on a pro rata basis, on August 1 in the years shown below, at a redemption price equal to the principal amount thereof, plus accrued interest, if any, to the date of redemption in an amount equal to the sinking fund installments for such Series 2020A Bond for such date:

Series 2020A Term Bonds Maturing October 1, 20\_\_

<u>Years</u>	<u>Sinking Fund Installments</u>
20__	\$
20__	
20__†	

† Final Maturity

Series 2020A Term Bonds Maturing October 1, 20\_\_

<u>Years</u>	<u>Sinking Fund Installments</u>
20__	\$
20__	
20__†	

† Final Maturity

*Notice of Redemption.* At least 30 days but not more than 90 days before the redemption date of any Series 2020A Bonds, whether in whole or in part, the Trustee will cause notice of any such redemption to be mailed by certified mail, return receipt requested, to all holders of Series 2020A Bonds to be redeemed in whole or in part. Any defect in such notice or the failure to mail such notice, shall not affect the validity of the proceedings for the redemption of other Series 2020A Bonds. While the Series

---

\* Preliminary, subject to change.

2020A Bonds are held in the name of DTC or its nominee, such redemption notices will be sent to Cede & Co. and not to the beneficial owners of the Series 2020A Bonds. See “–Book-Entry Only System” below.

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

### **Book-Entry Only System**

*The following description of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2020A Bonds, payments of principal of and interest on the Series 2020A Bonds to The Depository Trust Company, New York, New York (“DTC”), its nominee, Direct Participants (as defined below) or Beneficial Owners (as defined below), confirmation and transfer of beneficial ownership interests in the Series 2020A Bonds and other bond-related transactions by and between DTC, the Direct Participants and Beneficial Owners is based solely on information furnished by DTC.*

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2020A Bonds. The Series 2020A Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2020A Bond certificate will be issued for each principal amount of Series 2020A Bonds of a maturity bearing interest at a specified interest rate, each in the aggregate principal amount of such quantity of Series 2020A Bonds, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Series 2020A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020A Bonds on DTC's records. The ownership interest of each actual purchaser of the Series 2020A Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Series 2020A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bond certificates representing their ownership interests in the Series 2020A Bonds, except in the event that use of the book entry system for the Series 2020A Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2020A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Series 2020A Bonds may wish to ascertain that the nominee holding the Series 2020A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020A Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2020A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2020A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the County, on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, disbursement of such payments to Direct Participants will be the responsibility of DTC, and

disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2020A Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2020A Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2020A Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

## **SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020A BONDS**

### **Pledge of Trust Agreement**

Under the Master Trust Agreement, the Authority will pledge and assign to the Trustee, as security for the payment of all Bonds issued under the Master Trust Agreement, all rights, title and interest of the Authority in and to the Contract, including its right to receive Basic Contract Payments and Additional Contract Payments (reserving its right to receive certain Additional Contract Payments and its rights to receive notices, reports, and other statements) under the Contract.

The Authority previously issued \$26,290,000 aggregate principal amount of its Prince William County Facilities Revenue and Refunding Bonds, Series 2016A (County Facilities Projects) (the "Series 2016A Bonds") under the Trust Agreement and a First Supplemental Trust Agreement, dated as of April 1, 2016. If additional Bonds are issued under the Master Trust Agreement, the Authority will in like manner assign to the Trustee all rights, title and interest of the Authority in and to the additional Payment Agreements between the Authority and the County, including the Authority's rights to receive Basic Contract Payments and Additional Contract Payments (exclusive of amounts equal to the Authority's expenses). See "--Additional Bonds." The Series 2016A Bonds and the Series 2020A Bonds are secured on a parity with each other (and with any additional Bonds) under the Master Trust Agreement.

### **Basic Contract Payments and Additional Contract Payments**

The County is obligated under the Contract to make Basic Contract Payments that are sufficient to pay the principal of and interest due on the Series 2020A Bonds. Under the Contract, the County has agreed also agreed to make Additional Contract Payments in amounts sufficient, among other purposes, to pay the Authority's expenses allocable to the Contract and for the Authority to pay timely the compensation and expenses of the Trustee. Under the Contract, the obligation of the County to make all Contract Payments and other payments required under the Contract in any fiscal year of the County is valid and binding but subject to and contingent upon the annual appropriation by the Board of County Supervisors of the County of funds for such purpose for such fiscal year. The failure of the County to pay all or any portion of the Contract Payments or any other amounts due under the Contract on account of a failure of the Board of County Supervisors of the County to appropriate such sums (an "Event of Nonappropriation") would not constitute a default or an event of default under the Contract. See "CERTAIN INVESTMENT CONSIDERATIONS."

## **Budget and Appropriation**

The Authority has covenanted in the Trust Agreement that it will request the County annually for each fiscal year to budget, appropriate and pay to the Trustee an amount equal to the Basic Contract Payments and Additional Contract Payments payable by the County under all Payment Agreements, such as the Contract, in such fiscal year. The County has covenanted in the Contract that the County Executive shall include as a separate line item in each annual budget of revenues and disbursements presented to the Board of County Supervisors an item, appropriately designated, in an amount not less than an amount sufficient, in the judgment of the County Executive, to pay debt service on the Series 2020A Bonds and all other amounts payable during such fiscal year by the County pursuant to the Contract. Alternatively, the County Executive may include as a single line item in each annual budget of revenues and disbursements presented to the Board of County Supervisors an item designated “Basic and Additional Contract Payments – Master Trust Agreement” in an amount not less than an amount sufficient, in the judgment of the County Executive, to make all Payments scheduled to become due, and pay all other amounts payable by the County, pursuant to the Contract and all other Payment Agreements during such fiscal year.

If additional Bonds are issued under the Master Trust Agreement, the Authority will in like manner covenant in the applicable Payment Agreement that the County Executive shall include in each annual budget of revenues and disbursements presented to the Board of County Supervisors an item, appropriately designated, in an amount not less than an amount sufficient, in the judgment of the County Executive, to pay debt service on such additional Bonds and all other amounts payable during such fiscal year by the County pursuant to such Payment Agreement. See Appendix C, “SUMMARY OF CERTAIN DOCUMENTS PROVISIONS – Master Trust Agreement – Authorization and Issuance of Bonds” and “CERTAIN INVESTMENT CONSIDERATIONS.”

## **Limited Obligations**

The Series 2020A Bonds are not a debt of the County, the Authority, the Commonwealth of Virginia or any political subdivision thereof, within the meaning of any constitutional, charter, or statutory debt limit or restriction, nor is the full faith and credit of the County, the Authority or the Commonwealth of Virginia pledged to the payment of the Series 2020A Bonds or the interest thereon. The Authority has no taxing power.

## **Additional Bonds**

The Authority may also issue additional Bonds on a parity with the Series 2016A Bonds and the Series 2020A Bonds under the Master Trust Agreement for the financing or refinancing of any “Project.” Project is defined to include any facility that the Authority may finance under the Enabling Act. The Authority may also issue refunding Bonds (“Refunding Bonds”) on a parity with the Series 2016A Bonds and the Series 2020A Bonds for the purpose of providing funds, together with any other funds available therefor, for refunding all or any part of the Series 2016A Bonds, the Series 2020A Bonds or other Bonds or any other indebtedness incurred to provide a facility for use by the County.

Conditions precedent under the Master Trust Agreement to the Authority’s issuance of a series of additional or refunding Bonds on a parity with the Series 2016A Bonds and the Series 2020A Bonds include, among other requirements, the following:

(1) The execution and delivery of a “Payment Agreement,” as defined within the Master Trust Agreement, as a note, loan agreement, lease agreement, installment purchase contract or other contract or obligation, or combination thereof, by the express terms of which the County shall be

absolutely and unconditionally obligated to make payments on such dates and in such amounts as shall be sufficient for the Authority to make timely payment in each fiscal year of all amounts that may become due and payable on such Series of Bonds. Such payments under a Payment Agreement shall be subject only to the appropriation for such fiscal year by the Board of County Supervisors of funds for the purpose of the County's making such payments. Each Payment Agreement shall expressly provide that the County Executive shall include in each operating budget an item, appropriately designated, in an amount not less than an amount sufficient, in the judgment of the County Executive, to pay debt service on the applicable Series of Bonds and all other amounts payable during such fiscal year by the County pursuant to the Payment Agreement. Alternatively, the County Executive may include as a single line item in each annual budget of revenues and disbursements presented to the Board of County Supervisors an item designated "Basic and Additional Contract Payments – Master Trust Agreement" in an amount not less than an amount sufficient, in the judgment of the County Executive, to make all payments scheduled to become due, and pay all other amounts payable by the County under all Payment Agreements;

(2) The providing of an opinion or opinions of counsel for the County to the effect that (i) the Payment Agreement has been duly authorized, executed and delivered by the County, is in full force and effect and is valid and binding on the County in accordance with its terms and (ii) subject to the usual qualifications and exceptions, the express terms of the Payment Agreement that providing that the County's obligation to make payments to or for the account of the Authority on such dates and in such amounts as shall be sufficient for the Authority to make timely payment of (X) all amounts that may become due and payable on such Series of Bonds, (Y) all other amounts that may become payable under the terms of the Payment Agreement and (Z) all amounts payable under the Master Trust Agreement and the applicable Supplemental Trust Agreement to the extent not provided for in the applicable Payment Agreement or other Payment Agreements or otherwise provided for, are valid and binding subject only to the appropriation by the Board of County Supervisors of funds for the purpose of the County's making such payments;

(3) The receipt of written confirmation from each rating agency that has rated at the County's request any Series of outstanding Bonds that the issuance of such Series of Bonds will not cause its Credit Rating on any Series of Bonds (the underlying rating on such Bonds if such Bonds have been credit enhanced) outstanding immediately following such issuance to be lowered or withdrawn on account of the issuance of such Series of Bonds; and

(4) The providing of a certificate of a County Representative stating that the sum of the proceeds of the Series of Bonds, together with other amounts made available for the particular Project to be financed with such Series of Bonds and the estimated investment income on such money is not less than the estimated total Cost of the Project.

See "RATINGS" herein for the initial Credit Ratings assigned to the Series 2020A Bonds. Failure by any rating agency to confirm its Credit Rating on the outstanding Bonds on account of the proposed issuance of such additional Bonds would result in a failure to satisfy the requirements described in clause (3).

See Appendix C, "SUMMARY OF CERTAIN DOCUMENTS PROVISIONS – Master Trust Agreement – Authorization and Issuance of Bonds."

### **No Reserve Fund**

No debt service reserve fund or other similar reserve fund has been or will be established with respect to the Series 2020A Bonds.



## **Casualty and Liability Insurance**

The Contract requires that the County place in effect at a minimum the following insurance: (i) an “all risks” policy with coverage equal to 100% of the replacement cost value of the [2020 Projects/Properties], to be determined no less frequently than annually, and (ii) a general liability policy covering all operations and maintenance in connection with the Projects equal to \$5,000,000 combined aggregate limit per occurrence for personal injury and property damage liability. All such insurance must be issued by companies licensed to do business in the Commonwealth of Virginia with the Best’s Key Rating of at least A-:VI. In the alternative the County may self-insure for all or a portion of the insurance required under the Contract. See Appendix C, “SUMMARY OF CERTAIN DOCUMENTS PROVISIONS – Installment Purchase Contract – Insurance.”

## **Casualty, Condemnation**

If all or a portion of a Project is damaged or destroyed by fire or taken by condemnation, the County is obligated either to (a) repair and restore such Project to substantially the same condition or utility value as existed prior to such event or (b) apply the Net Proceeds resulting from such event, together with other available money, to the payment of the allocable portion of the Series 2020A Bonds or in full, as applicable, either through redemption of Series 2020A Bonds as described herein under “THE SERIES 2020A BONDS – Redemption of Series 2020A Bonds – Extraordinary Optional Redemption” or a defeasance of such Series 2020A Bonds in accordance with the Trust Agreement. See Appendix C, “SUMMARY OF CERTAIN DOCUMENTS PROVISIONS – Installment Purchase Contract – County’s Obligation to Maintain and Repair the Properties.”

### DEBT SERVICE REQUIREMENTS

The following table sets forth the combined debt service requirements for the Series 2016A Bonds and the Series 2020A Bonds:

Fiscal Year Ending June 30	Series 2016A Bonds		Series 2020A Bonds		Total Debt Service
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2021	\$	\$	\$	\$	\$
2022	1,170,000	717,800			
2023	1,170,000	671,000			
2024	1,170,000	612,500			
2025	1,170,000	554,000			
2026	1,170,000	495,500			
2027	1,170,000	437,000			
2028	1,165,000	378,625			
2029	1,165,000	326,200			
2030	1,165,000	279,600			
2031	1,165,000	233,000			
2032	1,165,000	186,400			
2033	1,165,000	142,713			
2034	1,165,000	101,938			
2035	1,165,000	61,163			
2036	1,165,000	20,388			
2037					
2038					
2039					
2040					
2041					
Total					

See Appendix A, "INFORMATION RELATING TO PRINCE WILLIAM COUNTY – Section III- Debt Administration" for a description of the other tax-supported debt of the County.  
Totals may not add due to rounding.

### CERTAIN INVESTMENT CONSIDERATIONS

*The following is a summary of certain risk factors attendant to investment in the Series 2020A Bonds. In order to identify risk factors and make an informed investment decision, investors should review thoroughly all the information contained in this Official Statement.*

#### **Non-Appropriation or Default on the Contract**

The County's obligation to make Basic Contract Payments and Additional Contract Payments is subject to appropriation of funds for that purpose. The likelihood that the Board of County Supervisors will continue to appropriate funds for Basic Contract Payments and Additional Contract Payments during each fiscal year may depend on a number of factors, including, but not limited to (a) the timely and successful completion of the construction of the Projects, (b) the continuing need of the County for the Projects, (c) political, economic and other factors affecting County government, (d) general fund revenues

and expenditures, (e) economic conditions in the County, (f) the usefulness or value of the Projects and (g) the availability of alternative facilities.

### **Non-Appropriation or Default on Other Payment Agreement**

The Series 2020A Bonds will be on a parity with the Series 2016A Bonds and with any other Bonds issued under the Master Trust Agreement. Consequently, the failure of the Board of County Supervisors to appropriate funds for Basic Contract Payments and Additional Contract Payments under another Payment Agreement such as the Contract in respect of other County projects would result in a shortfall in the amounts required to pay debt service on all the Bonds outstanding under the Master Trust Agreement. Consequently, investors must consider the same factors discussed in the paragraph above not only in the context of the Contract, the Prior Projects and 2020 Projects, but also in the context of other Payment Agreements and other Projects and weigh the adequacy of the protection afforded by the requirements in the Master Trust Agreement for the issuance of additional Bonds. As of the date of issuance of the Series 2020A Bonds, the Series 2016A Bonds and the Series 2020A Bonds will be the only other Bonds outstanding under the Master Trust Agreement. See “SUMMARY OF CERTAIN DOCUMENTS PROVISIONS – Master Trust Agreement – Authorization and Issuance of Bonds.”

## **TAX MATTERS**

### **Opinion of Bond Counsel**

The Authority and the County have covenanted to comply with applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the exclusion from gross income of the interest on the Series 2020A Bonds for purposes of federal income taxation. In the opinion of Norton Rose Fulbright US LLP, Bond Counsel, under current law and assuming continuing compliance by the County and the Authority with such covenants and requirements of the Code regarding, among other matters, the use, expenditure and investment of Series 2020A Bond proceeds and the timely payment of certain investment earnings to the United States Treasury, interest on the Series 2020A Bonds will not be included in the gross income of the owners thereof for federal income tax purposes. Failure by the County or the Authority to comply with such covenants and requirements may cause interest on the Series 2020A Bonds to be includable in the gross income of the owners thereof retroactive to the date of issue of the Series 2020A Bonds. No opinion is rendered by Bond Counsel as to the effect on the exclusion from gross income of the interest on the Series 2020A Bonds for federal income tax purposes of any action taken or not taken without the approval of Bond Counsel or in reliance upon the advice or opinion of counsel other than Bond Counsel.

Interest on the Series 2020A Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax under the Code. The Code contains other provisions (some of which are noted below) that could result in tax consequences, as to which no opinion will be rendered by Bond Counsel, as a result of ownership of the Series 2020A Bonds or the inclusion in certain computations of interest that is excluded from gross income.

### **Original Issue Discount**

The excess, if any, of the amount payable at maturity of any maturity of the Series 2020A Bonds purchased as part of the initial public offering over the issue price thereof constitutes original issue discount. The amount of original issue discount that has accrued and is properly allocable to an owner of any maturity of the Series 2020A Bonds with original issue discount (a “Discount Bond”) will be excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2020A Bonds. In general, the issue price of a maturity of the Series 2020A Bonds is the first price at

which a substantial amount of Series 2020A Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers), which may differ from the price shown on the inside cover page of this Official Statement, and the amount of original issue discount accrues in accordance with a constant yield method based on the compounding of interest. A purchaser's adjusted basis in a Discount Bond is to be increased by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bonds for federal income tax purposes.

Original issue discount that accrues in each year to an owner of a Discount Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed herein. Consequently, an owner of a Discount Bond should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral federal income tax consequences although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

The accrual of original issue discount and its effect on the redemption, sale, or other disposition of a Discount Bond that is not purchased in the initial offering at the first price at which a substantial amount of such Series 2020A Bonds is sold to the public may be determined according to rules that differ from those described above. Owners of Discount Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the amount of original issue discount with respect to such Discount Bonds and with respect to state and local tax consequences of owning and disposing of such Discount Bonds.

### **Bond Premium**

The excess, if any, of the tax basis of Series 2020A Bonds purchased as part of the initial public offering to a purchaser (other than a purchaser who holds such Series 2020A Bonds as inventory, stock in trade, or for sale to customers in the ordinary course of business) over the amount payable at maturity is "Bond Premium." Bond Premium is amortized over the term of such Series 2020A Bonds for federal income tax purposes (or, in the case of a bond with bond premium callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). Owners of such Series 2020A Bonds are required to decrease their adjusted basis in such Series 2020A Bonds by the amount of amortizable Bond Premium attributable to each taxable year such Series 2020A Bonds are held. The amortizable bond premium on such Series 2020A Bonds attributable to a taxable year is not deductible for federal income tax purposes; however Bond Premium on such Series 2020A Bonds is treated as an offset to qualified stated interest received on such Series 2020A Bonds. Owners of such Series 2020A Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the treatment of Bond Premium upon sale, redemption or other disposition of such Series 2020A Bonds and with respect to state and local income tax consequences of owning and disposing of such Series 2020A Bonds.

### **Backup Withholding**

Interest paid on the Series 2020A Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. While this reporting requirement does not by itself, affect the excludability of interest on the Series 2020A Bonds from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Series 2020A Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (i) are not "exempt recipients," and (ii) either fail to provide certain identifying information (such as the beneficial owner's taxpayer identification number) in the required manner or have been identified by the Internal Revenue Service as

having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's federal income tax liability provided the required information is furnished to the Internal Revenue Service.

### **Other Tax Consequences**

Under the Enabling Act, the income on the Series 2020A Bonds, including any profit made on the sale thereof, is exempt from all taxation by the Commonwealth or any political subdivision thereof.

The Code contains other provisions (some of which are noted below) that could result in tax consequences, upon which Bond Counsel expresses no opinion, as a result of ownership of the Series 2020A Bonds or the inclusion in certain computations of interest on the Series 2020A Bonds that is excluded from gross income for purposes of federal income taxation.

**PROSPECTIVE PURCHASERS OF THE SERIES 2020A BONDS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE APPLICABILITY AND IMPACT OF ANY SUCH COLLATERAL TAX CONSEQUENCES.**

Ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S Corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit.

### **Future Tax Developments**

Future or pending legislative proposals, if enacted, regulations, rulings or court decisions may cause interest on the Series 2020A Bonds to be subject, directly or indirectly, to federal income taxation or to state or local income taxation, or may otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. Legislation or regulatory actions and future or pending proposals may also affect the economic value of the federal or state tax exemption or the market value of the Series 2020A Bonds. Prospective purchasers of the Series 2020A Bonds should consult their tax advisors regarding any future, pending or proposed federal or state tax legislation, regulations, rulings or litigation as to which Bond Counsel expresses no opinion.

### **RATINGS**

The Series 2020A Bonds have been rated “\_\_” by Fitch Ratings, Inc. (“Fitch”), and “\_\_” by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC (“S&P”). The County requested that the Series 2020A Bonds be rated and furnished certain information to Fitch and S&P, including certain information that is not included in this Official Statement. These ratings are not a recommendation to buy, sell or hold the Series 2020A Bonds. Generally, rating agencies base their ratings on such materials and information, as well as investigations, studies and assumptions of the rating agencies.

Such ratings may be changed at any time and no assurance can be given that they will not be revised downward or withdrawn entirely by any or all of such rating agencies, if, in the judgment of any or all, circumstances so warrant. Such circumstances may include, without limitation, change in or

unavailability of information relating to the County. Any such downward revision or withdrawal of any of such ratings may have an adverse effect on the market price of the Series 2020A Bonds.

### **LEGAL MATTERS**

Certain legal matters relating to the authorization and validity of the Series 2020A Bonds are subject to the approving opinion of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel, the proposed form of whose opinion is attached as Appendix D. Certain legal matters will be passed upon for the Authority by McGuireWoods LLP, McLean, Virginia, and for the County by Michelle R. Robl, Esquire, County Attorney.

### **LEGALITY FOR INVESTMENTS**

Under the Enabling Act, the Series 2020A Bonds are legal and authorized investments for banks, trustees, trust companies, building and loan associations, insurance companies, fiduciaries, trustees, guardians for all public funds of the Commonwealth of Virginia or other political corporations or subdivisions of the Commonwealth of Virginia, and are eligible to secure the deposit of all public funds of cities, towns, counties, school districts or other political corporations or subdivisions of the Commonwealth of Virginia.

### **LITIGATION**

No litigation is pending or, to the Authority's knowledge, threatened (a) to restrain or enjoin the issuance, sale or delivery of any of the Series 2020A Bonds, the application of the proceeds thereof as provided in the Trust Agreement or the collection of revenues pledged under the Trust Agreement, (b) in any way contesting or affecting any authority for the issuance or validity of the Series 2020A Bonds or the validity of the Trust Agreement, (c) in any way contesting the creation, existence or powers of the Authority or (d) that, if determined adversely against the Authority, would have a material adverse effect on the Authority.

See Appendix A for a description of litigation affecting the County.

### **FINANCIAL ADVISOR**

PFM Financial Advisors LLC, Arlington, Virginia, is serving as financial advisor (the "Financial Advisor") in connection with the issuance of the Series 2020A Bonds. Although the Financial Advisor assisted in the preparation and review of this Official Statement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Financial Advisor is a financial advisory organization and is not engaged in the business of underwriting municipal securities.

### **SALE AT COMPETITIVE BIDDING**

The Bonds will be offered for sale at competitive bidding on a date determined pursuant to the provisions of the Notice of Sale relating to the Bonds (See "Appendix F – Notice of Sale"). After the Bonds have been awarded, the Authority will issue an Official Statement in final form to be dated the date of the award. The Authority will deem the Official Statement in final form as of its date, and the Official Statement in final form will be a "Final Official Statement" within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Official Statement in final form will include, among other matters, the identity of the winning bidder (the "Underwriters"), the expected selling compensation

to the Underwriters and other information on the interest rates and offering prices or yields of the Bonds, all as supplied by the Underwriters.

### **CONTINUING DISCLOSURE UNDERTAKING**

The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the Series 2020A Bonds, and the Authority will not provide any such information. The County has undertaken all responsibilities for continuing disclosure for the benefit of the Owners, and the Authority shall have no liability to the Owners or any other person with respect to such disclosures.

The Securities and Exchange Commission has adopted Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “Rule”). In general, the Rule prohibits an underwriter from purchasing or selling municipal securities such as the Series 2020A Bonds, unless it has determined that the issuer of such securities or other persons deemed to be material “obligated persons” have committed to provide to The Electronic Municipal Market Access (“EMMA”) system administered by the Municipal Securities Rulemaking Board (i) on an annual basis, certain financial information and operating data (“Annual Reports”), and, if available, audited financial statements, and (ii) notice of various events described in the Rule, if material (“Event Notices”).

The County will covenant in the Continuing Disclosure Agreement (the form of which appears in Appendix E), to be dated the date of delivery of the Series 2020A Bonds, for the benefit of the holders of the Series 2020A Bonds, to provide Annual Reports to EMMA, annually, not later than March 31 of each year, commencing March 31, 2021. Similarly, the County will provide Event Notices with respect to the Series 2020A Bonds to EMMA.

Except as described below, the County will represent as of the date of delivery of the Series 2020A Bonds that it has complied in all material respects with its undertakings regarding the Rule in the five years preceding the date of the Official Statement.

As a condition to the issuance of various series of bonds or certificates of participation issued by Prince William County and other entities, Prince William County has agreed pursuant to several continuing disclosure undertakings entered into pursuant to the Rule (the “County’s Undertakings”) to file with EMMA the Prince William County’s Audited Financial Statements and other certain other information (collectively, the “Annual Filings”) within the designated timeframe set forth in such undertaking, and currently the earliest deadline for such filings is within 210 days of the end of each fiscal year. Certain Annual Filings were filed pursuant to the County Undertakings but not correctly cross-referenced to all applicable bonds. The County has implemented procedures to ensure that future filing deadlines required by the County’s Undertakings are met. In addition, the County filed its annual financial information and unaudited financial statements and draft Comprehensive Annual Financial Report (“CAFR”) for the year ended June 30, 2019, on January 25, 2020, which was prior the deadline for such filing under County’s Undertakings. The County then filed its audited financial statements and CAFR for the year ended June 30, 2019, when available on March 3, 2020.

### **MISCELLANEOUS**

All information contained in this Official Statement is subject, in all respects, to the complete body of information contained in the original sources thereof, and no guarantee, warranty, or other representation is made concerning the accuracy or completeness of the information herein. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and

all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

[Remained of page intentionally left blank]



**PRELIMINARY OFFICIAL STATEMENT DEEMED FINAL**

The distribution of this Preliminary Official Statement has been duly authorized by the Authority. The Board of Supervisors of the County deems this Preliminary Official Statement final as of its date within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, except for the omission of certain pricing and other information permitted to be omitted by Rule 15c2-1.

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

By: \_\_\_\_\_  
Chairman

**APPENDIX A**

Information Relating to Prince William County

**APPENDIX B**

Financial Statements of Prince William County for the Year Ended June 30, 2019,  
and Independent Auditor's Report<sup>1</sup>

---

<sup>1</sup> This Appendix comprises the County's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019. In order to preserve cross-references within such pages, this Appendix has not been repaginated and, accordingly, retains the original pagination.

## APPENDIX C

### SUMMARY OF CERTAIN DOCUMENTS PROVISIONS

*The following is a summary of certain provisions of the Master Trust Agreement, the Second Supplemental Trust Agreement and the Installment Purchase Contract not otherwise summarized in the forepart of this Official Statement. Reference is made to the respective sections in the applicable documents for a complete recitation of such provisions.*

#### DEFINITIONS

The following are definitions of certain terms used in the Master Trust Agreement, the Second Supplemental Trust Agreement and the Installment Purchase Contract and not otherwise defined in this Official Statement:

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

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

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

**“Additional Contract Payments”** means the Additional Payments that the County has agreed to make under the Installment Purchase Contract for all other amounts (other than Basic Contract Payments) payable by the County to the Authority relating to the Series 2020A Bonds, including any Bonds refunding the Series 2020A Bonds.

**“Additional Payments”** means the amounts payable by the County to or for the account of the Authority and defined as such by the terms of each Payment Agreement entered into. Additional Contract Payments are Additional Payments.

**“Allocated Bonds”** means those Series 2020A Bonds allocated by the County, in a certificate of a County Representative delivered to the Trustee, to the ADC Property, the Fire Station Property, the Animal Shelter Property or the 2010 Property, as the case may be, in an event that necessitates an “Extraordinary Optional Redemption” as described in the Second Supplemental Trust Agreement.

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

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

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

**“Authority”** means the Industrial Development Authority of the County of Prince William.

**“Authority Liabilities”** means all expenses and obligations of the Authority under the Master Trust Agreement (other than the Bonds and the principal, interest and any redemption premiums thereon and amounts paid or provided for from the proceeds of the Bonds) including, without limitation: (i) Trust Agreement Expenses and (ii) any amount payable the Authority to the United States of America as Rebate Liability.

**“Authority Representative”** means each of the persons at the time designated to act on behalf of the Authority in a written certificate furnished to the Trustee, any Paying Agent and the Bond Registrar, which certificate is to contain the specimen of signatures of such person and be executed on behalf of the Authority by the Chairman.

**“Basic Contract Payments”** means the Basic Payments that the County has agreed to make under the Installment Purchase Contract sufficient to pay the principal of and interest on the Series 2020A Bonds and any other Bonds issued to pay the costs of the Projects including any Bonds refunding the Series 2020A Bonds.

**“Basic Payments”** means the amounts payable by the County to or for the account of the Authority and defined as such by the terms of each Payment Agreement entered into, as adjusted as provided therein.

**“Board of Directors”** means the governing body of the Authority or any successor entity assuming the function thereof.

**“Bond Registrar”** means the Bond Registrar at the time serving as such under the Master Trust Agreement and performing the duties set forth in the Master Trust Agreement and in the applicable Supplemental Trust Agreement, whether the original or a successor Bond Registrar.

**“Bond Year”** means the period commencing on the second day of July of any calendar year and ending on the first day of July of the following calendar year or such other annual period commencing and ending on the dates specified in a Supplemental Trust Agreement.

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

**“Bonds,”** as used in the Master Trust Agreement, means the Series 2016A Bonds, the Series 2020A Bonds, and all additional Bonds and all Refunding Bonds issued under the Master Trust Agreement.

**“Buildings”** means collectively collectively the ADC Building, the Animal Shelter Building, the Fire Station Building, and any and all buildings on the 2010 Properties.

**“Business Day”** means any day on which the New York Stock Exchange is open, other than a Saturday or Sunday and other than a day on which commercial banks (including the Trustee, the Bond Registrar, any Credit Bank, any Insurer and any Paying Agent) are authorized to close in the Commonwealth of Virginia or in New York, New York.

**“Chairman”** means the Chairman or the Vice Chairman of the Board of Directors or any person succeeding to the principal functions thereof or temporarily designated by the Board to serve *pro tempore* as the Chairman.

**“Contract”** or **“Installment Purchase Contract”** means the Installment Purchase Contract, dated as of October 1, 2020, by and between the County and the Authority relating to the Projects and the Series 2020A Bonds as the same may be supplemented and amended.

**“Contract Payments”** means the amounts, designated as Basic Contract Payments and Additional Contract Payments, payable by the County to or for the account of the Authority pursuant to the Contract.

**“Construction Subfund”** means the County Facilities Projects Construction Subfund created and so designated by the Master Trust Agreement.

**“Cost”** as applied to any Project means, without intending thereby to limit or restrict any proper definition of such word under the Enabling Act, all items of cost set forth in the Master Trust Agreement.

**“County Facilities Projects Fund”** means the discrete enterprise fund of the Authority created by the Master Trust Agreement.

**“County Representative”** means each of the persons at the time designated to act on behalf of the County in a written certificate furnished to the Trustee, any Paying Agent and the Bond Registrar, which certificate contains the specimen signature(s) of such person(s) and is signed on behalf of the County by the County Executive. Such person(s) may or may not be officials or employees of the County.

**“Credit Bank”** means as to any particular Series of Bonds, the person (other than an Insurer) providing a letter of credit, a line of credit, a guaranty or another credit- or liquidity -enhancement facility, as designated in the Supplemental Trust Agreement providing for the issuance of such Bonds.

**“Credit Facility”** means as to any particular Series of Bonds, a letter of credit, a line of credit, a guaranty or another credit- or liquidity-enhancement facility (other than an insurance policy issued by an Insurer), as approved in the Supplemental Trust Agreement providing for the issuance of such Bonds.

**“Credit Rating”** means the rating, typically a letter or letters, such as “Aa” or “AA,” with or without a modifier such as “1” or “2” or “+” or “-,” that express the opinion of a Rating Agency as to the credit quality of the Bonds without regard to any credit enhancement such as bond insurance, letters of credit or similar arrangements supporting the payment of debt service on the Bonds.

**“Debt Service Subfund”** means the County Facilities Projects Debt Service Subfund created and so designated by the Master Trust Agreement.

**“[D]efault”** means any condition or event that constitutes or would, after notice or lapse of time, or both, constitute an Event of Default under the Contract.

**“Defaulted Interest”** means any interest on any Bond that is payable, but is not punctually paid or duly provided for, on any Interest Payment Date.

**“Defeasance Obligations”** means, except as otherwise provided in a Supplemental Trust Agreement for the related Series of Bonds, Government Obligations and the obligations described in clause (C) of the definition of “Investment Obligations.”

**“Deposit Day”** means, for the Series 2020A Bonds, the last Business Day of each March and September.

**“Due Date”** means the last date on which payment is due without penalty, premium or interest.

**“Effective Date”** means the date of delivery of the Series 2020A Bonds.

**“Enabling Act”** means the Industrial Development and Revenue Bond Act, Title 15.2 Chapter 49 of the Code of Virginia, as amended and other applicable law.

**“Escrow Agent”** means U.S. Bank National Association, as escrow agent under the Escrow Deposit Agreement.

**“Escrow Agreement”** means the Escrow Deposit Agreement, dated October \_\_, 2020, between the County and the Escrow Agent, relating to the Bonds to be Refunded.

**“Event of Default”** means with respect to the Master Trust Agreement any of the events described in this Appendix under “THE TRUST AGREEMENT – Events of Default,” and with respect to the Contract means any of those events described in this Appendix under “THE INSTALLMENT PURCHASE CONTRACT – Events of Default.”

**“Event of Non-Appropriation”** means the event described in this Appendix under “THE INSTALLMENT PURCHASE CONTRACT – Non Appropriations.”

**“First Supplemental Trust Agreement”** means the First Supplemental Trust Agreement dated as of April 1, 2016, between the Authority and the Trustee authorizing and securing the issuance of the Series 2016A Bonds, as the same may be supplemented and amended as permitted thereby.

**“Fire Station Building”** means the fire station building to be constructed on the Fire Station Property, as the same may be improved as part of the Fire Station Project.

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

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

**“Government Obligations”** means direct obligations of, or obligations the timely payment of the principal of and the interest on which are fully and unconditionally guaranteed by, the United States of America, or evidences of indirect ownership of such obligations.

**“Holder”** means a person in whose name a Bond (or one or more Predecessor Bonds) is registered on the registration books provided for in the Master Trust Agreement.

**“Improvement Subfund”** means the County Facilities Projects Improvement Subfund so created and designated by the Master Trust Agreement.

**“Indebtedness”** means (a) the Bonds and (b) all other indebtedness outstanding that may have been issued or incurred under the provisions of the Enabling Act and the Master Trust Agreement, whether or not issued under the provisions of the Master Trust Agreement.

**“Insurer”** means, as to any particular maturity or any particular Series of the Bonds, the person undertaking to insure such Bonds, as designated in the Supplemental Trust Agreement providing for the issuance of such Bonds.

**“Interest”** means interest on the Purchase Price of the Projects. Such interest includes interest at the same rates payable on the same dates as the interest payable and redemption premium by the Authority on the Bonds.

**“Interest Payment Date”** means, for purposes of the Series 2020A Bonds, each April 1 and October 1, commencing April 1, 2021.

**“Interest Requirement”** means for any Bond Year, as applied to Bonds of a Series, means the total of the sums that would be deemed to accrue on such Bonds during such Bond Year if the interest on the current interest Bonds of such Series were deemed to accrue daily during such year in equal amounts; provided, however, that interest expense is to be excluded from the determination of Interest Requirement to the extent that such interest is to be paid from the proceeds of Bonds or from investment (but not reinvestment) thereof if such proceeds have been invested in Defeasance Obligations and to the extent such earnings may be determined precisely. The Authority may provide in a Supplemental Trust Agreement that interest expense on Credit Facilities drawn upon to purchase but not to retire Bonds, to the extent such interest exceeds the interest otherwise payable on such Bonds be included in the determination of Interest Requirement. If interest is not payable at a single numerical rate for the entire term of such Bonds, then “Interest Requirement” is to have the appropriate meaning assigned thereto by the applicable Supplemental Trust Agreement permitted by the Master Trust Agreement.

**“Investment Obligations”** means Government Obligations and, to the extent from time to time permitted by the laws of the State, (A) the obligations of (i) Export-Import Bank, (ii) Government National Mortgage Association, (iii) Federal Housing Administration, (iv) Farmers Home Administration and (v) any other agency or instrumentality of the United States of America now or hereafter created which obligations are backed by the full faith and credit of the United States of America; (B) the obligations of (i) Federal National Mortgage Association, (ii) Federal Intermediate Credit Banks, (iii) Federal Banks for Cooperatives, (iv) Federal Land Banks, (v) Federal Home Loan Banks, (vi) Federal Financing Bank, (vii) Federal Farm Credit System and (viii) Federal Home Loan Mortgage Corporation; (C) obligations of state or local government bond issuers, provision for the payment of the principal of and interest on which has been made by deposit with an escrow agent or trustee of Government Obligations the principal of and interest on which when due will be sufficient to pay the principal of and interest on such state or local government obligations when due, which obligations have been rated by Moody’s Investors Service and Standard & Poor’s Rating Services in one of two highest rating categories (without regard to gradations such as “plus” or “minus,” of such categories); (D) certificates of deposit or time deposits of any bank, any branch of any bank, trust company or national banking association (including any Trustee, Bond Registrar, Paying Agent and their affiliates) that has a combined capital, surplus and undivided profits not less than \$50,000,000; provided, however, that such certificates of deposit or time deposits are fully secured, to the extent not secured by the Federal Deposit Insurance Corporation, by Government Obligations or by obligations described in (A) or (C) above; (E) any repurchase agreement that is with (i) a bank or trust company (including any Trustee, Bond Registrar, Paying Agent and their affiliates) that has a combined capital, surplus and undivided profits not less than \$50,000,000, or (ii) a government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York for Government Obligations or obligations described in



(A) above and having on the date of the repurchase agreement a fair market value equal to at least 100% of the amount of the repurchase obligation of the bank or trust company; provided, however, that such obligations purchased must be transferred to the Trustee or a third party agent by physical delivery or by an entry made on the records of the issuer of such obligations; (F) any and all investments authorized by the Investment of Public Funds Act (Section 2.2-4500 *et seq.* Code of Virginia, 1950, as amended) including in particular but without limitation, subject to the ratings requirements set forth below, shares in any money market mutual fund (including those of the Trustee or any of its affiliates) registered under the Investment Company Act of 1940, as amended, that have been rated “AAAm” by Standard & Poor’s Ratings Services or Aaa by Moody’s Investors Service, Inc. so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations; and (G) any pooled investment fund organized in accordance with the Government Non-Arbitrage Act (Code of Virginia 2.2-4700 *et seq.*). Any investment in a repurchase agreement will be considered to mature on the date the bank or trust company providing the repurchase agreement is obligated to repurchase the Investment Obligations. Any investment in obligations described in (A), (B), (C) and (F) (to the extent not described in (D) or (E)) above may be made in the form of an entry made on the records of the issuer of the particular obligation.

**“Late Charge Rate”** means the true interest cost rates on the Bonds.

**“Master Trust Agreement”** means the Master Trust Agreement, dated as of April 1, 2016, between the Authority and the Trustee, authorizing the issuance of Bonds, including Refunding Bonds, as supplemented and amended as permitted thereby.

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

**“[O]utstanding”** means all Bonds that have been authenticated and delivered by the Bond Registrar under the Master Trust Agreement, except:

- (i) Bonds paid or redeemed or delivered to or acquired by the Bond Registrar for cancellation;
- (ii) Bonds for which the Bond Registrar or any Trustee or Paying Agent holds sufficient money or Defeasance Obligations the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of, and the interest and redemption premium, if any, on such Bonds to their maturity date or dates or dates fixed for redemption pursuant to Sinking Fund Requirements or to the date or dates fixed for their optional redemption; and
- (iii) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Master Trust Agreement;

provided, however, that in determining whether the Holders of the requisite principal amount of outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver under the Master Trust Agreement, Bonds owned by the Authority or any other obligor upon the Bonds are to be disregarded and deemed not to be outstanding, except that the term “obligor upon the Bonds” will not include any Insurer or any Credit Bank and except that, in determining whether the Bond Registrar will be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds that the Bond Registrar knows to be so owned will be so disregarded.

Bonds so owned that have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Bond Registrar the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Authority or any other obligor upon the Bonds except a Credit Bank or an Insurer.

**“Paying Agent”** means, for any Series of Bonds, the paying agent designated as such and performing the duties set forth in the Supplemental Trust Agreement providing for the issuance of such Bonds.

**“Payment Agreement”** means a note, loan agreement, lease agreement, installment purchase contract or other contract or obligation, or combination thereof, by the express terms of which the County will be absolutely and unconditionally obligated to make Payments on such dates and in such amounts as are sufficient for the Authority to make timely payment of all amounts that may become due and payable on a Series of Bonds, subject only to the appropriation by the Board of County Supervisors of the County of funds for the purpose of the County's making such payments. The Payment Agreement is to expressly provide that the County Executive will include as a separate line item in each operating budget an item, appropriately designated, in an amount not less than an amount sufficient, in the judgment of the County Executive, to pay debt service on the applicable Series of Bonds and all other amounts payable during such fiscal year by the County pursuant to the Payment Agreement. Alternatively, the County Executive may include as a single line item in each annual budget of revenues and disbursements presented to the Board of Supervisors an item designated “Basic and Additional Payments – Master Trust Agreement” in an amount not less than an amount sufficient, in the judgment of the County Executive, to make all payments scheduled to become due, and pay all other amounts payable by the County under all Payment Agreements. The Contract is a Payment Agreement.

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

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

**“Payments”** means payments of money that the County is or may become obligated to make under a Payment Agreement.

**“Permitted Encumbrances”** has the meaning set forth in the Contract.

**“Pledged Revenues,”** for the Series 2020A Bonds, means, (a) all payments of Basic Payments, (b) all payments of Additional Payments except to the extent required to pay Authority Liabilities and (c) the income from the investment under the provisions of the Master Trust Agreement of the money held for the credit of the various subfunds and accounts created under the Master Trust Agreement. Pledged Revenues will not include the proceeds of any insurance, other than as mentioned above, or any capital gifts, grants, donations or contributions or borrowed funds. Payments by any Insurer or Credit Bank with respect to debt service on the Bonds will not constitute Pledged Revenues. Any lump sum payment or prepayment received by the Trustee and not accompanied by instructions from the Authority Representative to the contrary is to be reserved by the Trustee in the County Facilities Projects Fund, disbursed to the Debt Service Subfund, and recognized as Pledged Revenues, semi-annually over the appropriate accrual period; provided, however, that if the Authority Representative directs, such lump

sum payment or prepayment is to be applied to the redemption or defeasance of the Bonds in accordance with such direction.

**“Predecessor Bonds”** of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond. For purposes of this definition, any Bond authenticated and delivered under the Master Trust Agreement in lieu of a mutilated, destroyed, stolen or lost Bond will be deemed to evidence the same debt as the mutilated, destroyed, stolen or lost Bond.

**“Principal and Interest Requirements,”** for any Bond Year, means the sum of the Principal Requirement and the Interest Requirement for such year.

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

**“Principal Requirement”** means, for any Series of Bonds and for any Bond Year the sum of the principal scheduled to become due in such Bond Year whether at stated maturity or by mandatory sinking fund redemption.

**“Projects,”** relating to the Series 2020A Bonds means the 2010 Projects and the 2020 Projects.

**“Project(s),”** for Bonds other than the Series 2020A Bonds, includes the acquisition, improving, equipping, furnishing and constructing of any Authority facility financed or refinanced through the issuance of Bonds.

**“Properties,”** means, collectively, collectively the ADC Property, the Animal Shelter Property, the Fire Station Property and the 2010 Properties.

**“Purchase Price,”** with respect to the Projects for the Series 2020A Bonds, means an amount equal to the principal amount of the Series 2020A Bonds and any additional Bonds (as such term is defined in the Contract).

**“Rebate Liability”** means the amount or amounts periodically determined by the firm of independent certified public accountants or other financial consultants experienced in the calculation of Rebate Liability and so designated by an Authority Representative to be set aside in the Improvement Subfund and the amount or amounts to be paid to the United States of America pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended.

**“Refunding Bonds”** means Bonds authorized by the Master Trust Agreement to refund Bonds or other indebtedness.

**“Second Supplemental Trust Agreement”** means the Second Supplemental Trust Agreement dated as of October 1, 2020, between the Authority and the Trustee authorizing and securing the issuance of the Series 2020A Bonds, as the same may be supplemented and amended as permitted thereby.

**“Serial Bonds”** means the Bonds that are stated to mature in consecutive annual installments and that are so designated in a Supplemental Trust Agreement.

“**Series**” means Bonds identified as a separate series which are authenticated and delivered on original issuance and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to any Supplemental Trust Agreement.

“**Sinking Fund Requirements**” means, with respect to Term Bonds of each maturity, the principal amount fixed or computed for the retirement of such Term Bonds by purchase or redemption, as contemplated in the Master Trust Agreement and any Supplemental Trust Agreement.

“**State**” means the Commonwealth of Virginia.

“**Supplemental Trust Agreement**” means an amendment or supplement, executed by the Authority and the Trustee, to the Master Trust Agreement, and in conformity with the provisions of the Master Trust Agreement, providing for the issuance of a Series of Bonds and setting forth the provisions and details thereof not inconsistent therewith including any amendments and supplements thereto permitted thereby and any other such agreement permitted by the Master Trust Agreement.

“**Term**” means the period of time commencing on the Effective Date and ending upon the Payment of the Bonds.

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

“**Trust Agreement**,” for purposes of the Contract, means the Master Trust Agreement as generally amended and supplemented from time to time, including by the Second Supplemental Trust Agreement, and by any Supplemental Trust Agreement entered into in connection with the issuance of additional Bonds issued to provide additional funds for the Cost of the Project or to refund any of these Bonds, each between the Authority and the Trustee. “Trust Agreement” will not include Supplemental Trust Agreements entered into in connection with the issuance of Additional or Refunding Bonds under the Master Trust Agreement that are not related to the Contract or the Properties.

“**Trust Agreement Expenses**” means those fees and expenses of the Trustee contemplated by the Master Trust Agreement and the fees and expenses of any Paying Agent and the Bond Registrar that has been approved in writing by the Authority Representative.

“**Trustee**” means the trustee at the time acting as such under the Master Trust Agreement and any Supplemental Trust Agreement whether the original or a successor trustee.

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

“**2010 Projects**” means the ADC Project, the Animal Shelter Project and the Fire Station Project financed or refinanced with the proceeds of the 2010 Park Bonds.

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

## THE MASTER TRUST AGREEMENT

### Granting Clause

The Authority (a) assigns all rights, title and interest of the Authority in and to any and all Payment Agreements, including, without limitation, its rights to receive Basic Payments and, except to the extent required to pay Authority Liabilities, Additional Payments (reserving the rights of the Authority to receive notices, reports and other statements to be given to the Authority thereunder), and (b) pledges the Basic Payments and (except as reserved above) Additional Payments received pursuant to any and all Payment Agreements, all money and securities in the Debt Service Subfund and, until applied in payment of any Cost of a Project or otherwise applied as permitted under the Master Trust Agreement, all money and securities in the Construction Subfund; to the Trustee, and unto its successors and assigns, in trust, forever.

### Authorization and Issuance of Bonds (Section 208)

There may be issued at one time or from time to time Series of Bonds under and secured by the Master Trust Agreement revenue bonds of the Authority designated "Prince William County Facilities Revenue Bonds Series ...." for the purposes of providing funds, together with any other available funds, for paying all or any portion of the Cost of any Project.

The Bonds of any Series (and any Series of Refunding Bonds authorized and issued under the Master Trust Agreement) (1) may be issued as current interest Bonds, capital appreciation Bonds or zero interest rate Bonds, Serial Bonds or Term Bonds, or any combination thereof, and may convert from one to another subsequent to their date of issue, (2) are to have such Series designation or designations, be dated and be stated to mature, subject to the right of prior optional, extraordinary optional and mandatory sinking fund redemption, if any, on the dates and in the principal amounts, (3) may bear interest at a fixed rate, variable rate, or convertible rate, are to be payable on the date or dates, may contain provisions permitting or requiring that such Bonds be tendered to the Authority or another for payment or remarketing and may be subject to interest rate exchange, interest rate cap, interest rate floor agreements and other derivative agreements of any duration, (4) are to have such other details, and (5) are to be sold in such manner to such purchasers upon the payment of such purchase price, all as are to be provided by the applicable Supplemental Trust Agreement; *provided, however*, that in any case Bonds may be issued and secured under the Master Trust Agreement only where (Y) the County will be absolutely and unconditionally obligated by a Payment Agreement to make Payments on such dates and in such amounts as will be sufficient for the Authority to make timely payment of all amounts that may become due and payable on such Series of Bonds, subject only to the appropriation by the Board of County Supervisors of funds for the purpose of the County's making such Payments and (Z) in the case of any derivative agreement, the Board of County Supervisors have specifically approved the terms and provisions of any derivative agreement; and *provided, further*, that under the applicable Payment Agreement, the County will not be scheduled to make any Basic Payments, and under the applicable Supplemental Trust Agreement, the Authority will not be scheduled to make any debt service payments, prior to the first day of the third month of the County's fiscal year.

The Supplemental Trust Agreement authorizing a Series of Bonds (and any Series of Refunding Bonds authorized and issued under the Master Trust Agreement) may provide additional security for such Series of Bonds, such as, by way of example and not limitation, a Credit Facility or derivative agreement, and the other Bonds outstanding under the Master Trust Agreement will have no right or interest in such additional security nor will such Series of Bonds have any right or interest in any additional security pledged under any other Supplemental Trust Agreement, but all Bonds outstanding under the Master

Trust Agreement will have a parity pledge of and security interest in the Payments due under the Payment Agreements securing such Bonds and assigned by the Authority to the Trustee for the equal and proportionate benefit of all Bonds secured by and outstanding under the Master Trust Agreement. Except as to any additional security provided in the Supplemental Trust Agreements and as to any differences in the rate or rates of interest, the maturities or the provisions for redemption or purchase and except for such differences, if any, respecting the use of money in various accounts in the Debt Service Subfund, all Bonds (including any Series of Refunding Bonds authorized and issued under the Master Trust Agreement), will be on a parity with and will be entitled to the same benefit and security of the Master Trust Agreement regardless of their date of issue.

Bonds, including the Series 2020A Bonds, are to be executed substantially in the form and in the manner above set forth or as provided in the Master Trust Agreement and in the applicable Supplemental Trust Agreement and are to be deposited with the Bond Registrar for authentication, but before any Series of Bonds are delivered by the Bond Registrar, there are to be filed or deposited with the Bond Registrar, as appropriate, the following:

(a) an executed counterpart, or a copy, certified by the Secretary, of the Master Trust Agreement;

(b) an executed counterpart, or a copy, certified by the Secretary, of the applicable Supplemental Trust Agreement, fixing details of such Series of Bonds, approving a Credit Facility or derivative agreement, if any, approving the sale of such series of Bonds to the purchasers thereof, and directing the authentication and delivery of such Series of Bonds to or upon the order of such purchasers upon payment of the purchase price therein set forth and any accrued interest thereon;

(c) an executed counterpart, or a copy, certified by the Clerk of the Board of Supervisors of the County and by the Secretary, of the applicable Payment Agreement;

(d) an opinion or opinions of counsel for the Authority to the effect that (1) the Master Trust Agreement and the Supplemental Trust Agreement referred to in clause (b) above have each been duly authorized, executed and delivered by the Authority, are in full force and effect and are valid and binding on the Authority in accordance with their respective terms; (2) the Authority has all necessary power and authority to apply the proceeds of such Series of Bonds to the Cost of the Projects and other purposes described in the applicable Supplemental Trust Agreement; (3) the Payment Agreement referred to in clause (c) above has been duly authorized, executed and delivered by the Authority, is in full force and effect, and is valid and binding on the Authority in accordance with its terms, (4) the issuance of such Series of Bonds has been duly and validly authorized and all conditions precedent to the delivery of such Series of Bonds have been fulfilled and (5) no provision of such Series of Bonds or of the Supplemental Trust Agreement authorizing such Series of Bonds results in or constitutes a default under the Master Trust Agreement or any other Supplemental Trust Agreement, any Payment Agreement or any other material agreement, indenture or other instrument to which the Authority is a party or by which the Authority is or may be bound;

(e) an opinion or opinions of counsel for the County to the effect that (i) the Payment Agreement referred to in clause (c) above has been duly authorized, executed and delivered by the County, is in full force and effect and is valid and binding on the County in accordance with its terms and (ii) subject to the usual qualifications and exceptions, the express terms of the Payment Agreement providing that the County's obligation to make Payments to or for the account of the Authority on such dates and in such amounts as will be sufficient for the Authority

to make timely payment of (X) all amounts that may become due and payable on such Series of Bonds, (Y) all other amounts that may become payable under the terms of the Payment Agreement and (Z) all amounts payable under the Master Trust Agreement and the applicable Supplemental Trust Agreement to the extent not provided for in the applicable Payment Agreement or other Payment Agreements or otherwise provided for, is valid and binding subject only to the appropriation by the Board of County Supervisors of funds for the purpose of the County's making such Payments;

(f) a certificate signed by the Chairman or Vice Chairman of the Authority and a County Representative and dated the date of such issuance, to the effect that to the best of knowledge of the signer:

(1) upon and immediately following the issuance of such Series of Bonds, no Event of Default under the Master Trust Agreement or any Payment Agreement, and no event or condition which, with the giving of notice or lapse of time or both, would become an Event of Default under the Master Trust Agreement or any Payment Agreement, will have occurred and be continuing, or if such Event of Default or event or condition has occurred and is continuing, it will be cured upon the issuance of such Series of Bonds;

(2) all of the approvals, limitations, conditions and provisions precedent to the issuance of such Series of Bonds in accordance with the Enabling Act or otherwise have been obtained, observed, met and satisfied;

(g) except in the case of the Series 2016A Bonds, written confirmation from each Rating Agency rating the Bonds that the issuance of such Series of Bonds will not cause its Credit Rating on any Series of Bonds to remain outstanding immediately after such issuance to be lowered or withdrawn on account of the issuance of such Series of Bonds;

(h) a certificate of a County Representative, which may be based upon certificates of other County officials, to the effect that the sum of the proceeds of such Series of Bonds credited to the Project Account in the Construction Subfund, other amounts made and to be made available by the County and others, and the estimated investment income on all accounts in the Construction Subfund available for the purpose, is not less than the estimated total Cost of the Project; and

(i) any additional documents or opinions required by the provisions of the Supplemental Trust Agreement, any derivative agreement or an agreement with a Credit Bank or Insurer and any Credit Facility or insurance policy issued by an Insurer in respect of such Series of Bonds.

When the documents mentioned in paragraphs (a) to (i) above, inclusive, have been filed with the Bond Registrar and when such Series of Bonds have been executed and authenticated by the Bond Registrar upon the request of the Authority, as required by the Master Trust Agreement, the Bond Registrar is to deliver such Series of Bonds to or upon the order of the purchasers named in the Supplemental Trust Agreement mentioned in paragraph (b) above, but only upon payment to the Bond Registrar, for the account of the Authority, of the purchase price of such Series of Bonds and of any accrued interest thereon.

The proceeds (including accrued interest, if any) of such Series of Bonds, together with any other funds made available to the Authority, will be deposited by the Bond Registrar for the account of the

Authority, simultaneously with the delivery of such Series of Bonds, except as otherwise provided in the applicable Supplemental Trust Agreement, as follows:

- (1) with the Trustee, to the credit of a special account in the Construction Subfund (the “Costs of Issuance Account”), an amount equal to the sum of the costs associated with the issuance of such Series of Bonds;
- (2) with the Trustee, to the credit of a special account in the Debt Service Subfund (the “Accrued Interest Account”) an amount equal to the accrued interest, if any, on such Series of Bonds;
- (3) with the Trustee, to the credit of a special account within the Debt Service Subfund (the “Capitalized Interest Account”), the amount, if any, provided in the applicable Supplemental Trust Agreement; and
- (4) with the Trustee, to the credit of a special account in the Construction Subfund (the “Project Account”) the balance remaining after the foregoing deposits have been made.

### **Refunding Bonds (Section 209)**

Refunding Bonds of the Authority may also be issued from time to time under and secured by the Master Trust Agreement subject to the conditions described under this heading and under the heading “– Authorization and Issuance of Bonds” above for the purpose of providing funds, with any other available funds, for refunding all or any part of any Indebtedness then outstanding (including without limitation, Bonds and other indebtedness that may have been issued or incurred under the provisions of the Enabling Act and whether or not under the provisions of the Master Trust Agreement), including the payment of any redemption premium thereon and interest that will accrue on such Indebtedness to the redemption date or stated maturity date or dates and any expenses in connection with such refunding. Before any such Series of Refunding Bonds will be issued, the Authority will enter into a Supplemental Trust Agreement authorizing the issuance of such Bonds and having the provisions required or permitted under the heading “– Authorization and Issuance of Bonds” above.

Such Refunding Bonds are to be deposited with the Bond Registrar for authentication, but before such Refunding Bonds are delivered by the Bond Registrar, there will be filed with the Bond Registrar items comparable to those described in paragraphs (a) through (g) and (i) under the heading “– Authorization and Issuance of Bonds” above.

When (i) the items comparable to those described in paragraph (a) through (g) and (i) under the heading “– Authorization and Issuance of Bonds” above have been filed with the Bond Registrar, and (ii) the Refunding Bonds described in the applicable Supplemental Trust Agreement have been executed by the Authority and authenticated by the Bond Registrar upon the request of the Authority, as required by the Master Trust Agreement, the Bond Registrar is to deliver such Series of Bonds, at one time to or upon the order of the purchasers thereof, but only upon payment to the Authority of the purchase price of such Bonds and any accrued interest thereon.

The proceeds of such Refunding Bonds (including accrued interest, if any) and any other funds made available by the Authority are to be paid to the Bond Registrar for the account of the Authority and applied simultaneously with the delivery of the Refunding Bonds or at the time the refunded Bonds or other Indebtedness is no longer deemed to be outstanding, as appropriate, as follows:



(1) to the credit of the Costs of Issuance Account with the Trustee, the estimated amount of the cost of issuing such Refunding Bonds;

(2) the accrued interest, if any, received as part of the proceeds of such Refunding Bonds is to be paid to the Trustee for deposit to the credit of the Accrued Interest Account in the Debt Service Subfund;

(3) an amount that, together with the interest that accrues on the Defeasance Obligations or other Investment Obligations acquired pursuant to this clause, will be sufficient to pay the principal of and redemption premium, if any, and the interest on the Bonds to be refunded thereunder will be paid to the Trustee or another suitable financial institution as escrow agent, for deposit to the credit of a special account, appropriately designated, to be held in trust by the Trustee or such other institution for the sole and exclusive purpose of paying such principal, redemption premium and interest; and money held for the credit of such account will, as nearly as may be practicable and reasonable, be invested and reinvested by such Trustee, as directed by the Authority, in Defeasance Obligations or other Investment Obligations that mature or are subject to redemption by the holder thereof at the option of such holder, at such time or times as will be necessary or desirable to effectuate the purpose of such refunded indebtedness as stated in the applicable Supplemental Trust Agreement; and

(4) any balance of such proceeds is to be paid to the Trustee for deposit to the credit of the Debt Service Subfund.

If the Trustee determines that the balance of the credit of such subfund or account created pursuant to the Master Trust Agreement exceeds the amount required to be on deposit therein on account of all Bonds outstanding after the issuance of the Refunding Bonds, the excess may at the direction of a County Representative be transferred to the Debt Service Subfund.

### **Redemption Date and Price (Section 301)**

The Bonds issued under the provisions of the Master Trust Agreement may be made subject to mandatory, extraordinary mandatory, extraordinary optional and optional redemption by the Authority, either in whole or in part, and at such times and prices and on such terms and conditions as may be provided in the respective Supplemental Trust Agreements.

In addition, the Term Bonds are required to be redeemed to the extent of the Sinking Fund Requirements, if any, therefor established by the Supplemental Trust Agreement providing for the issuance thereof.

### **Construction Subfund; Accounts (Section 401)**

The Master Trust Agreement establishes a special subfund within the County Facilities Project Fund designated "County Facilities Construction Subfund" to be held in trust by the Trustee. A separate account for each Series of Bonds issued pursuant to the Master Trust Agreement relating to the Costs of Project may be established (each a "Project Account"), in which case the provisions of the Master Trust Agreement will apply to each such account as though it were the entire Construction Subfund. Additionally, a separate account for each Series of Bonds issued pursuant to the Master Trust Agreement relating to the costs of issuance of such Series of bonds may be established (each a "Costs of Issuance Account"), in which case the provisions of the Master Trust Agreement will apply to each such account as though it were the entire Construction Subfund.

Payment of the Cost of the Project(s) is to be made from the Construction Subfund.

**Payments from Construction Subfund (Section 402)**

(a) (1) Money in a Project Account is to be used solely to pay or reimburse the payment of any Costs of a Project and pending such use, may be invested, at the direction of a County Representative but in accordance with a schedule of estimated disbursements furnished by and updated from time to time by a County Representative, in Investment Obligations in accordance with the provisions relating to the depositing and investing of money in the Master Trust Agreement.

(2) All investment income resulting from the investment of a Project Account is to be credited to an applicable subaccount in the Project Account as realized and, except in the case of any money reserved to pay any Rebate Liability, transferred on or before each Deposit Day. A County Representative may direct the Trustee to transfer any money reserved to pay Rebate Liability to the Improvement Subfund in accordance with an applicable Supplemental Trust Agreement. Any losses resulting from the investment of the Project Account will be charged first against the investment income to the credit of the applicable subaccount in the Project Account and then against the principal to the credit of the applicable Project Account.

(3) To withdraw funds to the credit of a Project Account to pay or reimburse the payment of Costs of any Projects for which, there is to be filed with the Trustee as a condition precedent to each disbursement a requisition, signed by a County Representative, stating to the best knowledge of the signer, that (A) the obligation has been incurred by or is otherwise payable to pay Costs of a Project, (B) the item is a proper charge against the Project Account and (C) the obligation has not been the basis for a prior requisition which has been paid.

(4) If the maturities of all Bonds outstanding have been accelerated pursuant to the Master Trust Agreement, all of the money in any Project Account(s) is to be transferred to the Debt Service Subfund to be used for the payment of the principal amount and any accrued interest thereon of the Bonds for which such Project Account(s) relate to.

(b) (1) Money in the Costs of Issuance Account is to be used solely to pay or reimburse the Cost incurred in connection with the issuance of Bonds, and pending such use, may be invested, at the direction of a County Representative in Investment Obligations in accordance with the provisions relating to the depositing and investing of money in the Master Trust Agreement.

(2) All investment income resulting from the investment of the Costs of Issuance Account is to remain to the credit of such account. Any losses resulting from the investment of the Costs of Issuance Account will be charged first against the investment income to the credit of the subaccount in the Costs of Issuance Account and then against the principal to the credit of the applicable Project Account.

(3) To withdraw funds to the credit of the Costs of Issuance Account to pay or reimburse the Cost of issuance, there is to be filed with the Trustee as a condition precedent to each disbursement a requisition in the form of an exhibit to the Master Trust Agreement, signed by a County Representative, stating that, to the best knowledge of the signer, (A) the obligation has been incurred by or is otherwise payable by the Prince William County Board of County Supervisors to pay the Costs of a Project, (B) the item is a proper charge against the Costs of Issuance Account and (C) the obligation has not been the basis for a prior requisition that has been paid.

#### **Disposition of Construction Subfund Balance (Section 404)**

Any funds remaining within a Costs of Issuance Account established in connection with Bonds issued pursuant to the Master Trust Agreement will, six months from the date of issuance of the applicable Series of Bonds, are to be transferred within the Construction Subfund to the Project Account pertaining to such Series of Bonds. Any funds remaining within a Costs of Issuance Account established in connection with Refunding Bonds issued pursuant to the Master Trust Agreement six months from the date of issuance of such Refunding Bonds, are to be transferred to the Debt Service Subfund.

When a Project has been completed, which fact is to be evidenced to the Authority by a Certificate of a County Representative setting forth the date of such completion and also stating that requisitions have been made for the payment of all obligations that are payable from the Construction Subfund (the "Completion Date"), delivered to the Authority, the balance in the Construction Subfund not reserved for the payment of any remaining part of the Cost of a Project completed and not required to be transferred to the Improvement Subfund for Rebate Liability is to be transferred to the Debt Service Subfund for the payment, purchase or redemption of Bonds in accordance with the provisions of the Master Trust Agreement. Such transfer is to be accompanied by an opinion of counsel nationally recognized as expert in tax matters relating to obligations of states and their political subdivisions to the effect that such proposed application of such balance will not adversely affect the federal income tax treatment of interest on any Bonds. Alternatively, if the applicable Supplemental Trust Agreement provides such balance may be applied to the Cost of another Project.

#### **Establishment of Fund and Subfunds (Section 501)**

The Master Trust Agreement establishes a County Facilities Projects Fund as a discrete, enterprise fund of the Authority. In addition to the Construction Subfund, the Master Trust Agreement establishes within County Facilities Projects Fund the Debt Service Subfund and the Improvement Subfund. The money in each of such subfunds is to be held in trust by the Trustee.

#### **Funds Received (Section 502)**

Except as otherwise specifically provided by the Master Trust Agreement, all Pledged Revenues received by the Trustee are to be credited to the County Facilities Projects Fund and are to be subject to a lien and charge in favor of the Holders. Semi-annually, on or before each Deposit Day, the Trustee is to: first, set aside in the Debt Service Subfund, after first taking into account any accrued interest and capitalized interest deposited from the proceeds of any Bonds and any transfers from the Improvement Subfund, an amount equal to the interest due on the Bonds on the next Interest Payment Date, and an amount equal to the principal due on the Bonds on the next Principal Payment Date; and second, transfer into the Improvement Subfund the balance of such Pledged Revenues.

If on the Business Day next preceding an Interest Payment Date or a Principal Payment Date money to the credit of the Debt Service Subfund is not sufficient to pay the principal and interest due and payable on the Bonds the Trustee is to transfer from the Improvement Subfund if and to the extent money in the Improvement Subfund is available for such purpose an amount equal to the deficiency in the Debt Service Subfund or special account therein.

All Additional Payments received by Trustee from the County pursuant to a Payment Agreement with respect to Rebate Liability and Trust Agreement Expenses and late charges and any other money received by the Trustee pursuant to a Payment Agreement (other than Pledged Revenues and amounts received pursuant to insurance claims relating to certain irreparable damage to or condemnation of a

Project as specified in the applicable Payment Agreement) are to be deposited in the Improvement Subfund.

Any money transferred to the Trustee from the Construction Subfund in accordance with the Master Trust Agreement is to be deposited to a special account in the Debt Service Subfund and applied by the Trustee to the payment, purchase or redemption of Bonds in accordance with the written instructions of an Authority Representative.

#### **Application of Money in Debt Service Subfund (Section 503)**

Money in the Debt Service Subfund is to be used solely for the payment of the principal of and premium, if any, and the interest on the Bonds. On each Interest Payment Date the Trustee will withdraw from and transfer such money to the Bond Registrar or Paying Agent, which is to remit by mail to each registered owner the amounts required for paying the interest on such Bonds. On each Principal Payment Date the Trustee is to withdraw from and transfer such money to the Bond Registrar or Paying Agent, the amounts required for paying the principal of and premium, if any, on the Bonds.

The Trustee when directed by an Authority Representative, is to purchase Bonds prior to maturity at prices not to exceed the principal amount of such Bonds. No such purchase is to be made within forty-five (45) days immediately preceding any Interest Payment Date on which the Bonds are subject to call for redemption except from money other than money set aside or deposited for the redemption of Bonds.

In the case of Bonds secured by a Credit Facility, amounts on deposit in the Debt Service Subfund may be applied as provided in the applicable Supplemental Trust Agreement to reimburse the Credit Bank for amounts drawn under such Credit Facility to pay the principal of and premium, if any, of interest on the Bonds.

#### **Application of Money in the Improvement Subfund (Section 504)**

Money held in the Improvement Subfund is to be set aside and disbursed by the Trustee in accordance with written instructions of an Authority Representative for the following purposes and, except as otherwise provided in the Master Trust Agreement, in the following order of priority: (i) for paying the Authority's Rebate Liability; (ii) for paying Trust Agreement Expenses; (iii) for transfer and deposit to the Debt Service Subfund; (iv) for paying or discharging any other Authority Liabilities not otherwise paid or provided for; and (v) for paying for repairs or maintenance of the applicable Project caused by some extraordinary occurrence, all in accordance with any applicable Payment Agreement.

#### **Disposition of Subfund Balances (Section 507)**

After provision is made for the payment of all outstanding Bonds issued under the Master Trust Agreement, including the interest thereon, and for the payment of all other obligations, expenses and charges required to be paid under or in connection with the Master Trust Agreement, the Trustee is to pay all amounts in any Subfund then held by it under the Master Trust Agreement to the County.

#### **Investment of Money (Section 602)**

Money held for the credit of the Improvement Subfund and the Construction Subfund, as nearly as may be practicable, is to be invested and reinvested in Investment Obligations that mature, or are subject to redemption at the option of the holder thereof.

Money held for the credit of the Debt Service Subfund, as nearly as may be practicable, is to be invested and reinvested in Investment Obligations that mature, or that are subject to redemption at the option of the holder thereof, not later than the respective dates when the money held for the credit of said Subfund will be required.

### **Valuation (Section 603)**

For the purpose of determining the amount on deposit to the credit of any such Subfund or account, obligations in which money in such Subfund or account has been invested are to be valued at amortized cost.

The Trustee is to value the Investment Obligations in the Subfunds and accounts held by it at least once in every Bond Year and report such balances to the Authority and the County. In addition, the Investment Obligations are to be valued by the Trustee at any time requested by an Authority Representative on reasonable notice (which period of notice may be waived or reduced by the Trustee); provided, however, that the Trustee which not be required to value the Investment Obligations more than once in any calendar month.

### **Payment of Principal, Interest and Premium (Section 701)**

The Authority covenants to pay, when due, the principal of and the premium, if any, and the interest on the Bonds at the places, on the dates and in the manner provided in the Master Trust Agreement.

The Bonds are payable solely from Pledged Revenues derived by the Authority from applicable Payment Agreements and other money pledged under the Master Trust Agreement. The Bonds will not be deemed to constitute a pledge of the faith and credit of the State or of any political subdivision thereof, including the Authority and the County. Neither the faith and credit of the State nor the faith and credit of the Authority or the County are pledged to the payment of the principal of or premium, if any, or interest on the Bonds, and the issuance of the Bonds will not directly, indirectly or contingently obligate the State or the County to levy any taxes whatever therefor or to make any appropriation for their payment except from the revenues and receipts provided for their payment under the Master Trust Agreement.

### **Further Instruments and Actions (Section 704)**

At the request of the Trustee, the Bond Register or any other Trustee, the Authority covenants to execute and deliver such further instruments or take such further actions as may be required to carry out the purposes of the Master Trust Agreement.

### **Request of County to Appropriate (Section 705)**

The Authority covenants that it will, through its Authority Representative, request the County annually, for each fiscal year and for so long as any Bonds of any Series is outstanding, to budget, appropriate and pay to the Trustee an amount equal to the Basic Payments payable by the County under the applicable Payment Agreements in such fiscal year. The Authority also covenants that it will through its Authority Representative, request the County annually, for each fiscal year and for so long as any Bonds of any Series will be outstanding, to budget, appropriate and pay to the Trustee or otherwise an amount equal to the estimated Additional Payments payable by the County under the Payment Agreements in such fiscal year.

### **Event of Default (Section 801)**

An “Event of Default” includes (i) failure to pay any installment of interest on any Bonds when due and payable; (ii) failure to pay principal or redemption premium, if any, of any Bonds when due and payable; (iii) an event of default under a Payment Agreement as specified therein; (iv) default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Master Trust Agreement or any Supplemental Trust Agreement for ninety (90) days after receipt by the Authority of a written notice from the Trustee or Holders of a majority in aggregate principal amount of Bonds then outstanding specifying such default and requiring the same to be remedied.

No Event of Default will be deemed to have occurred under (i) or (ii) above where no event of default has occurred and is continuing under the applicable Payment Agreement.

Clause (iv) above is subject to the limitation that if the Authority is unable in whole or in part to carry out any of its agreements contained in the Master Trust Agreement due to any cause, circumstance or event that is not reasonably foreseeable and that is not within the control of the Authority, then such failure by the Authority will not be deemed an Event of Default during the continuance of such inability, including a reasonable time for the removal of the effect thereof.

### **Acceleration of Maturities (Section 802)**

Upon the happening and continuance of any Event of Default specified in (i) or (ii) under the heading “– Event of Default” above, the Trustee may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding must, declare the principal of all of the Bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same will become and be immediately due and payable, subject to the right of the Authority to cure such default as provided in the Master Trust Agreement.

### **Enforcement of Remedies (Section 803)**

Upon the happening and continuance of any Event of Default specified in the Master Trust Agreement, then and in every such case the Trustee may proceed and upon the written request of the Holders of not less than a majority in aggregate principal amount of Bonds then outstanding must proceed to protect and enforce its rights and the rights of the Holders under the laws of the State or under the Master Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained in the Master Trust Agreement or in aid of execution of any power granted in the Master Trust Agreement or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel chosen by the Trustee or by such Holders, will deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Master Trust Agreement, the Trustee will be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default becoming and remaining due from the Authority for principal, interest or otherwise under any of the provisions of the Master Trust Agreement or of the Bonds, together with interest on overdue payments of principal at the rate or rates of interest payable on any Bonds outstanding and all costs and expenses of collection and of all proceedings under the Master Trust Agreement, without prejudice to any other right or remedy of the Trustee or of the Holders and to recover and enforce any judgment or decree against the Authority, but solely as provided in the Master Trust Agreement, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from

money available for such purposes), in any manner provided by law, the money adjudged or decreed to be payable.

#### **Control of Proceedings by Holders (Section 806)**

Holders of a majority in aggregate principal amount of Bonds then outstanding will have the right, subject to the provisions of the Master Trust Agreement, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Master Trust Agreement, provided that such direction is in accordance with law and the provisions of the Master Trust Agreement.

#### **Notice of Default (Section 811)**

The Trustee is to provide to all Holders at their addresses as they appear on the registration books written notice of the occurrence of any Event of Default within thirty (30) days after the Trustee has notice of the same, that any such Event of Default has occurred.

#### **Rights of Credit Bank and Insurer (Section 813)**

Until the Authority has reimbursed a Credit Bank or any Insurer for amounts paid under a Credit Facility or under an insurance policy to pay the interest on or the principal of any Bonds, such Bonds will be deemed to be outstanding and such Credit Bank or Insurer will succeed to the rights and interests of the Holders to the extent of the amounts paid under the Credit Facility or insurance policy until such amount has been reimbursed and upon presentation to the Bond Registrar, such Bond is to be registered in the name of the Credit Bank or Insurer or its nominee.

#### **Supplemental Agreements Without Consent of Holders (Section 1101)**

The Authority may enter into such supplements and amendments to the Master Trust Agreement as are consistent with the terms and provisions of the Master Trust Agreement: (a) to cure any ambiguity or formal defect or omission, or to correct or supplement any provision that may be inconsistent with any other provision of the Master Trust Agreement; or (b) to grant to or confer upon the Holders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders; or (c) to add to the conditions, limitations and restrictions thereafter to be observed by the Authority under the provisions of the Master Trust Agreement; or (d) to add to the covenants and agreements of the Authority in the Master Trust Agreement other covenants and agreements thereafter to be observed by the Authority or to surrender any right or power reserved to or conferred upon the Authority in the Master Trust Agreement; or (e) to provide for the issuance of Bonds and to provide for such other related matters as may be required or contemplated by or appropriate under the Master Trust Agreement; or (f) to make change necessary to comply with the requirements of any Rating Agency then rating the Bonds; or (g) to make any other change that, in the judgment of the Authority and the Trustee, would not materially adversely affect the security for the Bonds.

#### **Modification of Agreements with Consent of Holders (Section 1102)**

All other supplemental agreements require the written consent of Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding that will be affected thereby provided, however, that no supplemental agreement is to permit (a) an extension of the maturity of the principal of or the interest on any Bonds issued under the Master Trust Agreement, or (b) a reduction in the principal amount of any Bonds or the redemption premium or the rate of interest thereon, or (c) the creation of a pledge or lien on the money credited to the Debt Service Subfund or the Construction Subfund other than

the pledge and lien created by the Master Trust Agreement, or (d) a preference or priority of any Bonds over any other Bonds, or (e) a reduction in the aggregate principal amount of Bonds required for consent to such supplemental agreement.

### **Supplements and Amendments to the Payment Agreements Not Requiring Holders' Consent (Section 1201)**

The Authority may enter into supplements and amendments to Payment Agreements as it deems not adverse to the interests of the Holders of the applicable Series after thirty (30) days' prior notice to, but without the consent of, the Trustee. From time to time and at any time, may enter into other supplements and amendments to such agreements, and the Trustee may consent to such amendments and supplements to such agreements are not, in the judgment of the Trustee, materially adverse to the interests of the Holders of the applicable Series, (a) to cure any ambiguity or formal defect or omission in of such agreements or in any supplement or amendment thereto, or (b) to grant to or confer upon the Authority or the Trustee, for the benefit of the Holders, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders of the applicable Series or the Authority or the Trustee, or (c) to make any other change in either of such agreements, provided only that no such change will be made to a Payment Agreement relating to Payments that would, in the judgment of the Trustee, be materially adverse to the interests of the Holders. Amendments or supplements to Payment Agreements pursuant to this paragraph may be made without the consent of the Holders.

### **Supplements and Amendments to the Payment Agreements Requiring Holders' Consent (Section 1202)**

All other supplements or amendments to Payment Agreements require notice of the execution of the proposed supplement or amendment and the consent of the Holders of more than a majority in aggregate principal amounts of the Bonds then outstanding in the same manner as provided for in the case of supplements and amendments to the Master Trust Agreement.

### **Defeasance (Section 1301)**

When (i) Bonds secured by the Master Trust Agreement have become due and payable in accordance with their terms, and (ii) the whole amount of the principal and the interest and premium, if any, so due and payable upon all Bonds will be paid or if the Trustee, the Bond Registrar or any Paying Agent will hold sufficient money or Defeasance Obligations the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of, and the interest and redemption premium, if any, on all Bonds then outstanding to the maturity date or dates thereof, and (iii) if Bonds are to be called for redemption in accordance with the provisions of the Master Trust Agreement prior to their maturity, the Authority will have given, irrevocable instructions to call the Bonds for redemption, and (iv) sufficient provision is made for paying all other obligations payable by the Authority in connection with the defeasance of said indebtedness, then and in that case the right, title and interest of the Holders in the subfunds in the Master Trust Agreement will cease and become void, and on demand of the Authority and upon being furnished with an opinion, in form and substance satisfactory to the Trustee, of counsel nationally recognized as expert in legal matters relating to the obligations of states and their political subdivisions, to the effect that all conditions precedent to the release of the Master Trust Agreement have been satisfied, the Trustee is to release the Master Trust Agreement.



## SECOND SUPPLEMENTAL TRUST AGREEMENT

### Application of the Proceeds of the Series 2020A Bonds (Section 2.04)

The proceeds (including any premium) of the Series 2020A Bonds are to be applied by the Trustee simultaneously with the delivery of said Series 2020A Bonds as follows:

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

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

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

### Redemption Provisions of the Series 2020A Bonds (Section 3.01)

At its option, to be exercised not less than forty-five (45) days prior to each such applicable Principal Payment Date, the Authority may (a) deposit money with the Trustee to be used to purchase Series 2020A Bonds, or direct the Trustee to cause money in the Debt Service Subfund to be used for such purchases, at a price not exceeding the principal amount thereof plus accrued interest to such applicable Principal Payment Date, or (b) receive a credit against the Sinking Fund Requirements for Series 2020A Bonds which prior to such date have been purchased by the Authority and presented to the Trustee for cancellation or redeemed (otherwise than in satisfaction of prior Sinking Fund Requirements) and canceled by the Trustee and, in either case, not theretofore applied as a credit against any Sinking Fund Requirement. Each such Series 2020A Term Bond so purchased, delivered or previously redeemed will be credited by the Trustee at 100% of the principal amount thereof against the current Sinking Fund Requirement with respect to Series 2020A Bonds due on the same date as the Term Bond so purchased, delivered or previously redeemed and canceled. Any excess over such current Sinking Fund Requirement will be credited against the future Sinking Fund Requirements of Term Bonds with the same maturity date in such manner as the Authority will determine, and the principal amount of such Series 2020A Bonds with such maturity date to be redeemed by mandatory sinking fund redemption will be reduced accordingly.

*Optional Redemption.* (1) The Series 2020A Bonds which are stated to mature after [October 1, 2030], are subject to redemption, in the manner and under the terms and conditions provided in the Master Trust Agreement, at the option of the Authority, from any money that may be made available for such purpose, either in whole or in part, as determined by the Authority, on any date not earlier than [October 1, 2030,] at a Redemption Price equal to 100% of the Series 2020A Bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption.

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

(1) Circumstances Under Which County May Not Repair Damage. In the event that any Project, or any portion thereof is destroyed by fire or other casualty, the County may within 90 days after such damage or destruction, elect by written notice to the Authority not to repair, reconstruct or restore such Project, provided that the Net Proceeds of insurance payable as a result of such damage or destruction together with other money held for the payment of or as security for the Series 2020A Bonds and any additional sums paid by the County are sufficient to provide for Payment of the Allocated Bonds. [In such event the County will, in its notice of election to the Authority, state that such Net Proceeds and other money, if any, will be applied to defease the lien of the Second Supplemental Trust Agreement in accordance with its terms and such Net Proceeds will be paid to the Authority for the purpose of such defeasance.]

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

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

### **Payment of Principal, Interest and Premium (Section 7.01)**

The Authority is to cause to be paid, when due, the principal of (whether at maturity, by call for redemption or otherwise) and the premium, if any, and the interest on the Series 2020A Bonds at the places, on the dates and in the manner provided in the Second Supplemental Trust Agreement and in the Series 2020A Bonds according to the true intent and meaning thereof.

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

### **Request of County to Appropriate (Section 7.02)**

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

### **Tax Covenants (Section 7.03)**

The Authority covenants that it will not take any action that would, or fail to take any action which failure would, cause interest on the Series 2020A Bonds to become includable in gross income for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended and regulations promulgated thereunder.

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

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

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

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

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

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

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

*[Remainder of page intentionally left blank]*

## **THE INSTALLMENT PURCHASE CONTRACT**

### **Agreement to Issue the Series 2020A Bonds (Section 2.01)**

At the request of the County, the Authority agrees that it will use its best efforts to issue, sell and deliver to the purchasers thereof at one time or from time to time (i) the Series 2020A Bonds pursuant to the Trust Agreement for the purpose of paying the Cost of the 2020 Projects, (ii) the Series 2020A Bonds to finance the acquisition of the 2010 Projects and the refunding of the 2010 Park Bonds, (iii) additional Bonds pursuant to the Trust Agreement for the purpose of paying all or any portion of the Cost of any 2020 Project in excess of the funds available for the purpose from the proceeds of the Series 2020A Bonds or (iv) refunding Bonds pursuant to the Trust Agreement for the purpose of refunding any Series 2020A Bonds or additional Bonds issued under (iii) above, or a combination of such purposes. The proceeds of the Series 2020A Bonds will be delivered to the Trustee for application in accordance with the Trust Agreement and the Second Supplemental Trust Agreement.

### **No Sufficiency Warranty by the Authority; Limited Liability of County (Section 2.03)**

The Authority does not make any warranty, either express or implied, that the money that will be paid into the Construction Subfund or any account therein will be sufficient to pay the Cost of the Projects. The obligation of the County under the Contract to pay the Cost of the Projects will be limited to the proceeds of the Series 2020A Bonds and any additional Bonds described above deposited to the credit of the 2020A Projects Account in the Construction Subfund, the investment earnings thereon and any other investment earnings on the funds and accounts held by the Trustee under the Trust Agreement and transferred to the 2020A Projects Account in the Construction Subfund. The County agrees, however, that if, after exhaustion of the money in the Construction Subfund, the County should pay or cause to be paid any portion of the Cost of any 2020 Project, it will not be entitled to any reimbursement therefor from the Authority or from the Trustee (other than from the proceeds of any such additional Bonds), or diminution or postponement of the payments to be made pursuant to the Contract.

### **Sale of the Projects (Article III)**

The Authority agrees to sell to the County, and the County agrees to purchase from the Authority, on the Effective Date, the Projects.

### **Payments (Section 4.01)**

The County is to pay to the Authority the Purchase Price in installments, with Interest thereon, in accordance with the provisions of the Contract. The Purchase Price and Interest thereon is to be paid as Basic Contract Payments in the amounts and manner that will allow the Authority to pay timely the debt service on the Series 2020A Bonds.

The County may prepay the Purchase Price, in whole or in part, on not less than thirty (30) days' written notice to the Authority, accompanied by a specific direction to the Authority to apply such prepayment to the purchase and cancellation, redemption or defeasance of any Bonds. Upon such purchase and cancellation, redemption or defeasance, the Authority is to credit the principal amount of the Bonds so cancelled, redeemed or defeased against the Purchase Price and reduce the Basic Contract Payments otherwise payable by an amount equal to the sum of the principal amount of the Bonds so purchased and cancelled, redeemed or defeased, the interest on the Bonds so purchased and cancelled, redeemed or defeased and as a result of such prepayment and the interest that would have accrued on such Bonds so redeemed or defeased but for such prepayment and redemption or defeasance.

The Authority is to credit appropriately against the Purchase Price and Interest and reduce the Basic Contract Payments otherwise payable on each Due Date by the amount of any investment income (a) realized from the investment and reinvestment of Bond proceeds and Basic Contract Payments or other amounts or reserves derived from Bond proceeds or Basic Contract Payments and set aside or pledged to the Bonds and (b) applied, or to be applied, to the payment of principal or interest and any redemption premiums on Bonds.

The County is also to pay to or for the account of the Authority as Additional Contract Payments for the Projects all other amounts (other than Basic Contract Payments) payable by the County to the Authority under the Contract, including fees and expenses of the Trustee, the Bond Registrar, any depository, any Paying Agent, and the Authority.

#### **Net Contract (Section 4.04)**

The County is to pay to the Authority all Contract Payments payable to the Authority free of any abatement, charges, counterclaims, assessments, set-offs, offsets, impositions or deductions. Under no circumstances or conditions will the Authority be expected or required to make any payment of any kind with respect to the Properties or be under any obligation or liability except as provided in the Contract and the Trust Agreement. The County will pay directly all costs of operating, maintaining and repairing the Properties, including the costs and expenses for sewer, water, gas, electric, telephone, fuel and other utilities used or consumed in or at the Properties.

#### **Late Charges (Section 4.05)**

In the event that payment of any Basic Contract Payment becomes overdue for one business day beyond the date on which it is due, the sums so overdue will be payable with interest at the Late Charge Rate (computed on a 360-day year).

#### **Obligations of County Subject to Appropriation (Section 4.06)**

The obligations of the County to make any payments under the Contract are contingent upon the appropriation for each fiscal year by the Board of County Supervisors of the County of funds from which such Contract Payments can be made. The County will not be liable for any amounts that may be payable pursuant to the Contract unless and until such funds have been so appropriated for payment and then only to the extent thereof. The County and the Authority understand that nothing in the Contract will be deemed to obligate the Board of County Supervisors of the County to appropriate any sums on account of any Contract Payments to be made by the County under the Contract. The Contract will not constitute a pledge of the full faith and credit of the County or a bond or debt of the County in violation of Section 10 of Article VII of the Constitution of the State.

#### **County Budget (Section 4.07)**

The County Executive is to include as a separate line item in each annual budget of revenues and disbursements presented to the Board of Supervisors an item designated "County Services Facilities Projects Payments" in an amount not less than an amount sufficient, in the judgment of the County Executive, to make the Contract Payments and pay all other amounts payable during such fiscal year by the County pursuant to the Contract. Alternatively, the County Executive may include as a single line item in each annual budget of revenues and disbursements presented to the Board of Supervisors an item designated "Basic and Additional Payments – Master Trust Agreement" in an amount not less than an amount sufficient, in the judgment of the County Executive, to make all Payments scheduled to become

due, and pay all other amounts payable by the County, pursuant to the Contract and all other Payment Agreements referred to in the Master Trust Agreement during such fiscal year.

**County's Obligation to Maintain and Repair Properties (Section 5.01)**

The County, at its sole cost and expense, throughout the Term, is to keep and maintain the Properties in good and safe order and condition in accordance with industry standards and to use all reasonable precaution to prevent, waste, damage, or injury to the Properties. The provisions described under this heading will no longer apply to any Property for which no Allocable Bonds remain Outstanding.

In the event the Properties or any portion thereof are damaged or destroyed by fire, flood or other casualty the County, except as otherwise provided in the Contract is to, repair, reconstruct and restore the damaged Properties as and to the extent the County deems appropriate under the circumstances. Net Proceeds of any insurance relating to such damage or destruction will be paid directly to the County and the County is to apply such Net Proceeds received solely to, and will complete, the repair, reconstruction and restoration of the Properties.

In the event that the Properties or any portion thereof are destroyed by fire or other casualty the County may, within 90 days after such damage or destruction, elect by written notice to the Authority not to repair, reconstruct or restore the Properties, provided that the Net Proceeds of insurance payable as a result of such damage or destruction together with other money held for the payment of or as security for the Bonds and any additional sums paid by the County are sufficient to provide for Payment of the Bonds. In such event the County in its notice of election to the Authority, is to state that the Net Proceeds of insurance will be paid to the Authority for the purpose of defeasing the lien of the Second Supplemental Trust Agreement with respect to the Allocated Bonds in accordance with its terms and such Net Proceeds are to be paid to the Authority for the purpose of such defeasance. Alternatively, if the County determines that the destruction is limited to a Property, it will constitute compliance with the provisions of the Contract if the Net Proceeds of insurance payable as a result of such damage or destruction together with other money held for the payment of or as security for the Bonds and any additional sums paid by the County are sufficient to provide for Payment of the Allocated Bonds and will be so applied.

Upon completion of the repair, reconstruction and restoration pursuant to the Contract, any excess money from the Net Proceeds of insurance is to be paid by the County to the Authority and will be applied as a credit to Basic Contract Payments. In the event that the Bonds are defeased, any remaining Net Proceeds will be paid to or retained by the County.

In the event that the Properties or any portion thereof are condemned or taken for any public or quasi-public use and title vests in the party condemning or taking the same, the County is to determine in writing whether the Properties can be repaired, reconstructed and restored to such an extent that the utility of the Buildings, or any of them, can be largely maintained, restored or replaced. If the County determines that the utility of the Buildings can be maintained, restored or replaced following such a taking is to restore the Properties with the Net Proceeds resulting from such taking as nearly as practicable to substantially the same or an improved condition or utility as existed prior to the taking. The County will complete restoration of the Properties regardless of whether or not the Net Proceeds of the condemnation award received by the County for such purposes are sufficient. If the County determines that the utility of the Buildings cannot be maintained restored or replaced following such taking, the Net Proceeds payable as a result of such taking will be used for the Payment of the Bonds. Alternatively, if the County determine s that the taking is limited to a Property, it will constitute compliance with the provisions of the Contract if the Net Proceeds payable as a result of such taking together with other money held for the payment of or as security for the Bonds issued to finance the Projects and any

additional sums paid by the County are sufficient to provide for Payment of the Allocated Bonds, as applicable and will be so applied.

Any excess money from the Net Proceeds of a taking over and above the costs of repair, reconstruction and restoration prosecuted to completion in accordance with the Contract is to be paid by the County to the Authority and applied as a credit against the Purchase Price and reduce the Basic Contract Payments becoming due thereafter as designated in writing by the County. In the event of Payment of the Bonds in accordance with the fifth paragraph under this heading, any remaining Net Proceeds will be retained by or paid to the County.

### **County's Assumption of the Maintenance and Management of the Properties (Section 5.02)**

The Authority will have no duty or obligation to make any alteration, change, improvement, replacement, restoration or repair to, or to demolish, the whole or any part of the Properties. Except as otherwise provided in the Contract, as between the County and the Authority, the County assumes the full and sole responsibility for the condition, operation, repair, alteration, improvement, replacement, maintenance and management of the Properties.

### **Insurance (Article VI)**

The County is to procure and pay the requisite premiums for and maintain during the Term of the Contract the insurance described in the Contract. The insurance policies required by the Contract will name the Trustee as an additional named insured. The Contract requires that the County carry as a minimum, (i) an "all risks" policy with coverage equal to 100% of the replacement cost value of the Properties, to be determined no less frequently than annually; and (ii) a general liability policy covering all operations and maintenance in connection with the Buildings equal to a \$5,000,000 combined aggregate limit per occurrence for personal injury and property damage liability. The County may self-insure against such risks under certain circumstances.

All such insurance will be issued by companies licensed to do business in the Commonwealth of Virginia with the Best's Key Rating of at least A-VI.

### **Title (Section 7.01)**

As between the County and the Authority, fee title to the Projects will vest in the County.

### **No Impairment of the Authority's Interests (Section 7.02)**

Except for the Permitted Encumbrances described in the Contract, the County will not create or cause or suffer to be created, any lien, encumbrance or charge upon the Contract, the Properties, or any part of any of them, or the Authority's income derived from the Contract.

### **County Representations (Section 8.01)**

Except as expressly provided in the Contract, the County warrants that no representations, statements or warranties, express or implied, have been made by or on behalf of the Authority in respect of the Projects, and the Authority will in no event whatsoever be liable for any latent or patent defects in the Projects or the Properties.

The County represents that, except as permitted by the Contract, it will not use, or permit the use of, any portion of any Project by any person or entity for any private business use, other than a state or



local governmental unit. The County may use, or permit the use of, any portion of a Project by any person or entity that is not a state or local governmental unit or other “exempt person” as defined in the Code for any private business use; provided that (i) not more than sixty (60) nor less thirty (30) days prior to the effective date of such proposed use, the County is to furnish or cause to be furnished to the Authority a written description of the nature, scope and duration of such proposed use, and (ii) a nationally recognized bond counsel has delivered to the Authority an opinion that such proposed use will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

### **Release of Portions of the Properties (Section 10.03)**

The County and the Authority reserve the right to amend the Contract for the purpose of effecting the release of and removal from the Contract of any part of any Property with respect to which the County or a transferee of the County proposes to convey fee title to a public utility or public body in order that utility services or roads or other services may be provided for such Property or portion thereof. If at the time any such amendment is made, any of the Bonds is outstanding and unpaid there are deposited with the Trustee the following: (i) a copy of the amendment or easement as executed; (ii) a resolution of the Board of Supervisors of the County stating that the County is not in default under any of the provisions of the Trust Agreement and the Authority is not to the knowledge of the County in default under any of the provisions of the Contract, giving an adequate legal description of that portion of such Property to be released, and stating the purpose for which the County desires the release; (iii) a certificate showing that the Authority has approved such amendment and stating that the Authority is not in default under any of the provisions of the Contract; and (iv) a certificate of an appropriate County Representative stating that the proposed release will not impair the usefulness of such Property as an adult detention facility, fire station facility, animal shelter facility, or park facility, as appropriate, and in the case of the land that constitutes a portion of a Property will not destroy the means of ingress to and egress therefrom.

Notwithstanding any other provisions of the Contract, the County may sell or otherwise dispose of its interest in any unimproved parts of the Properties (on which neither the Buildings or the utilities that serve them are located); provided, that if at the time any such sale or other disposition is proposed, all or any of the Bonds is outstanding and unpaid, there will be deposited with the Trustee the following: the documents described in clauses (i), (ii) and (iii) in the paragraph above, and a certificate of an appropriate County Representative, dated not more than sixty (60) days prior to the date of the disposition, stating that, in the opinion of the person signing such certificate, the release proposed to be made will not impair the usefulness of Buildings as police station facilities, general office building facilities, commuter parking facilities, or jail facilities, and will not destroy the means of ingress thereto and egress therefrom.

### **Granting of Easements (Section 10.04)**

The County and its transferees may grant or release easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges, so long as such grant or release will not materially adversely affect the usefulness of the ADC Property as a site for detention center facilities, the Animal Shelter Property as a site for animal shelter facilities, the Fire Station Property as a site for fire station facilities or any 2010 Property as a site for park facilities, as appropriate.

### **Assignment, Leasing and Subleasing (Section 10.05)**

Neither the Contract nor the rights and obligations of the County thereunder the Contract will be assigned in whole or in part without the consent of the Authority. However, no assignment will relieve the County from primary liability for any of its obligations under the Contract.

### **Assignment of Contract by the Authority (Section 10.06)**

The Authority will assign its interest in and pledge all money receivable under the Contract, other than the Additional Contract Payments, to the Trustee pursuant to the Trust Agreement as security for payment of the Bonds. The County agrees to make all Basic Contract Payments and payments to be credited against Basic Contract Payments directly to the Trustee for the account of the Authority.

### **County Options to Terminate (Section 10.07)**

The County may terminate the Term by paying to the Trustee, for the account of the Authority, an amount that will be sufficient to purchase, redeem or defease all the outstanding Bonds under the Trust Agreement and with the provisions of the Trust Agreement, and in case of redemption, making arrangements satisfactory to the Trustee for giving the required notice of redemption.

### **Permitted Use (Section 11.01)**

The County is to use, or cause to be used, the Properties facilities for public purposes permitted by the Enabling Act. The County is not to use, or suffer anyone else to use, the Properties for other than public purposes permitted by the Enabling Act.

### **No Illegal or Hazardous Use (Section 11.02)**

The County will not use or permit the Properties or any part thereof to be used for any unlawful or illegal business, use or purpose, or in such manner as to constitute a nuisance of any kind (public or private).

### **Events of Default (Section 12.01)**

Except in an Event of Non-Appropriation as described in the following caption, each of the following events is an “Event of Default” under the Contract: (a) if the County fails to make any Basic Contract Payment or any part thereof on the due date thereof and such failure continues for one business day; or (b) if the County fails (i) to maintain or cause to be maintained the insurance required by the Contract, or (ii) to make any Additional Contract Payment, or any other payment under the Contract, required to be paid by the County under the Contract for a period, after notice thereof from the Authority to the County, of forty-five (45) days; or (c) if the County fails to observe or perform one or more of the other material terms, conditions, covenants or agreements of the Contract or any representation, and such failure or misrepresentation will continue for a period of ninety (90) days after written notice thereof; or (d) if the County admits, in writing, that it is unable to pay its debts as such become due or will make an assignment for the benefit of creditors; or (e) if the County files a voluntary petition in bankruptcy or the County is adjudicated a bankrupt or insolvent; or (f) if a bankruptcy or dissolution proceeding brought against the County will not have been dismissed, or the appointment of a trustee has not been vacated or stayed within ninety (90) days, or if, within thirty (30) days after the expiration of any such stay, such appointment has not been vacated.

### **Force Majeure (Section 12.02)**

Clause(c) under “Events of Default” above are limited subject to the following limitations: if by reason of Force Majeure, the County is unable in whole or in part to carry out any of its agreements herein contained, failure of the County to carry out any such agreements, will not be deemed an Event of Default Clause(c) under “Events of Default” above during the continuance of such inability, including a reasonable time for the removal of the effect thereof.

The term “Force Majeure” means, without limitation, the following:

(a) acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies, political subdivisions or officials (other than the County), or any civil or military authority; war; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; droughts; floods; washouts; arrests; restraint of government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or

(b) any cause, circumstance or event not reasonably within the control of the County.

(c) The County agrees, however, to use commercially reasonable efforts to remedy with all reasonable dispatch the Force Majeure preventing it from carrying out its agreements; provided, that the settlement of any disputes of any nature will be entirely within the discretion of the County, and the County will not be required to make settlement or any such disputes by acceding to the demands of the opposing party or parties when such course is, in the judgment of the County Attorney for the County, unfavorable to the County.

### **Non-Appropriations (Section 12.03)**

Anything to the contrary notwithstanding elsewhere in the Contract, the failure of the County to pay all or any portion of any amount otherwise due and payable under the Contract to or for the account of the Authority or the Trustee on account of the failure of the Board of County Supervisors of the County to appropriate such sum (an “Event of Non-Appropriation”) will not, to the extent of such failure, constitute a Default or an Event of Default under the Contract.

### **Remedies (Section 12.04)**

If an Event of Default has occurred and is continuing, the Authority may, at its option, declare all installments of Basic Contract Payments for the remainder of the Term to be immediately due and payable.

In an Event of Default, the Authority may take whatever action at law or in equity may appear necessary or desirable to collect the Contract Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the County under the Contract.

*[Remainder of page intentionally left blank]*

**APPENDIX D**

**FORM OF BOND COUNSEL OPINION**

[Closing Date]

Industrial Development Authority  
of the County of Prince William  
Prince William, Virginia

We have acted as Bond Counsel to the Industrial Development Authority of the County of Prince William (the “Authority”) in connection with the issuance of

\$ \_\_\_\_\_  
Industrial Development Authority of the County of Prince William  
Prince William County Facilities Revenue and Refunding Bonds, Series 2020A  
(County Facilities Projects)  
(the “Series 2020A Bonds”)

The Series 2020A Bonds are being issued pursuant to the Industrial Development and Revenue Bond Act, Title 15.2, Chapter 49 of the Code of Virginia of 1950, as amended, and other applicable law (collectively, the “Enabling Act”) to (i) finance the improvement of certain property (collectively, the “2020 Projects”) to be used by Prince William County, Virginia (the “County”), (ii) refund the outstanding Park Facilities County Contribution Revenue Bonds, Series 2010 (the “2010 Park Bonds”), issued by the Prince William County Park Authority, which has since been consolidated with the County, to refinance certain park facilities (the “2010 Projects” and, together with the 2020 Projects, the “Projects”) and (iii) pay costs of issuance of the Series 2020A Bonds.

Simultaneously with the issuance of the Series 2020A Bonds, the Authority will make a portion of the proceeds of the Series 2020A Bonds available to the County for the purpose of the development and construction of the 2020 Projects and to refund the 2010 Park Bonds. In addition, the Authority will sell its interests in the Projects to the County and agree to refinance the 2010 Projects in consideration of the County’s undertaking responsibility for the Projects and the County’s agreement to pay a purchase price for the Projects in installments (“Payments”), sufficient to pay timely the debt service on the outstanding Series 2020A Bonds, all pursuant to an Installment Purchase Contract, dated as of October 1, 2020 (the “Installment Purchase Contract”), between the Authority and the County.

The Series 2020A Bonds are being issued under and secured by a Master Trust Agreement, dated as of March 1, 2016 (the “Master Trust Agreement”), as supplemented by a Second Supplemental Trust Agreement, dated as of October 1, 2020 (the “Second Supplemental Trust Agreement” and together with the Master Trust Agreement, the “Trust Agreement”), each between the Authority and U.S. Bank National Association, as trustee (in such capacity, the “Trustee”), pursuant to which the Authority has assigned to the Trustee substantially all of its rights under the Installment Purchase Contract, including its right to receive the Payments. Under and subject to the requirements of the Master Trust Agreement, the Authority may issue additional bonds for other facilities for the County as permitted by the Enabling Act, and such additional bonds and any refunding bonds issued under the Master Trust Agreement will rank on a parity with the Series 2020A Bonds and with the Authority’s Prince William County Facilities Revenue and Refunding Bonds Series 2016A (County Facilities Projects) previously issued under the Master Trust Agreement (together with any such additional and refunding bonds, the “Bonds”) as to the revenues pledged under the Master Trust Agreement (“Pledged Revenues”), including the Payments to be made by

the County pursuant to the Installment Purchase Contract, as security for the payment of debt service on the outstanding Bonds, including the 2020A Bonds.

The Series 2020A Bonds are dated and bear interest, and are stated to mature, subject to optional redemption, extraordinary optional redemption [and mandatory sinking fund redemption], all as provided in the Trust Agreement.

In our capacity as Bond Counsel, we have examined the Enabling Act and such documents, records of the Authority and the County, and other instruments and proofs, including counterparts or certified copies of the Trust Agreement and the Installment Purchase Contract, as we deemed necessary to enable us to express the opinions set forth below.

Based on the foregoing we are of the opinion that:

1. The Authority is by the terms of the Enabling Act a political subdivision of the Commonwealth of Virginia (the "Commonwealth") and a public instrumentality of the County duly created pursuant to the laws of the Commonwealth, including, in particular, the Enabling Act, with full authority to acquire and sell the Projects, to enter into the Trust Agreement and the Installment Purchase Contract, and to issue and sell the Series 2020A Bonds.

2. The County is a political subdivision of the Commonwealth with full authority to acquire the Projects and refinance the 2010 Projects and to enter into the Installment Purchase Contract.

3. The Installment Purchase Contract has been duly authorized, executed and delivered by the Authority and the County and constitutes a legal, valid and binding obligation of the parties enforceable in accordance with its terms. The obligation of the County to make the Payments under the Installment Purchase Contract is expressly therein made subject to the annual appropriation by the Prince William Board of County Supervisors of funds for such purpose.

4. The Trust Agreement has been duly authorized, executed and delivered by the Authority and the Trustee and constitutes a legal, valid and binding obligation of the parties enforceable in accordance with its terms. Under the Trust Agreement, the Authority has validly assigned substantially all of its rights under the Installment Purchase Contract (including its rights to receive Payments) to the Trustee for the benefit of the holders of the Bonds.

5. The issuance and sale of the Series 2020A Bonds have been duly authorized by the Authority, and the Series 2020A Bonds have been duly executed and delivered by the Authority and constitute legal, valid and binding limited obligations of the Authority payable under the Trust Agreement in accordance with their terms solely from Pledged Revenues and other money pledged therefor to the extent provided in the Trust Agreement. The Series 2020A Bonds shall not be deemed to constitute a debt or pledge of the faith and credit of the Commonwealth or any political subdivision thereof, including the County and the Authority. None of the Commonwealth, any political subdivision thereof and the Authority shall be obligated to pay the Series 2020A Bonds or the interest thereon or other costs incident thereto except from the revenues and money pledged therefor. Neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the County and the Authority, is pledged to the payment of the principal of the Series 2020A Bonds or the interest thereon or other costs incident thereto.

6. Except as otherwise provided in the following sentences of this paragraph and assuming compliance by the Authority and the County with their respective covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Series

2020A Bonds is not includable in the gross income of the owners thereof for federal income tax purposes under current law. Interest on the Series 2020A Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of such Series 2020A Bonds in the event of a failure by the Authority or the County to comply with applicable requirements of the Code and their respective covenants regarding use, expenditure and investment of proceeds of the Series 2020A Bonds and the timely payment by the Authority of certain investment earnings to the United States Treasury. We render no opinion as to the effect on the exclusion from gross income of the interest on the Series 2020A Bonds for federal income tax purposes of any action taken or not taken without our approval or upon the advice or approval of counsel other than us. Interest on the Series 2020A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. The Code contains other provisions that could result in tax consequences, as to which we render no opinion, as a result of ownership of such Series 2020A Bonds or the inclusion in certain computations of interest that is excluded from gross income.

7. The income on the Series 2020A Bonds, including any profit made on the sale thereof, is exempt from all taxation by the Commonwealth or any political subdivision thereof.

Other than as described herein, we have not addressed nor are we opining on the tax consequences to any person of the investment in, or the receipt of any interest on, the Series 2020A Bonds.

The opinions contained in paragraphs 3, 4 and 5 above are qualified to the extent that the enforceability of the Installment Purchase Contract, the Trust Agreement and the Series 2020A Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization, or other laws affecting creditors' rights generally and may be subject to judicial discretion. For purposes of our opinions in paragraphs 1, 3, 4 and 5, we have relied upon the opinion of McGuireWoods LLP respecting the existence and organization of the Authority and its due authorization and execution of the Installment Purchase Contract, the Trust Agreement and the Series 2020A Bonds. For purposes of our opinions in paragraphs 2 and 3, we have relied upon the opinion of the Prince William County Attorney respecting the existence and organization of the County and its due authorization and execution of the Installment Purchase Contract.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions. Such opinions may be adversely affected by actions taken or events occurring, including a change in law, regulation or ruling (or in the application or official interpretation of any law, regulation, or ruling) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions are taken or such events occur, and we have no obligation to update such opinions in light of such actions or events.

Respectfully submitted,

## APPENDIX E

### FORM OF CONTINUING DISCLOSURE AGREEMENT

#### CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Agreement”), dated as of October \_\_, 2020, is executed and delivered by Prince William County, Virginia (the “County”), connection with the issuance by the Industrial Development Authority of the County of Prince William, Virginia (the “Authority”) of its \$\_\_\_\_\_ Prince William County Facilities Revenue and Refunding Bonds, Series 2020A (County Facilities Projects) (the “Bonds”) pursuant to a resolution adopted by the Board of Directors of the Authority on \_\_\_\_\_, 2020 (the “Authorizing Resolution”) and under a Master Trust Agreement, dated as of April 1, 2016, as supplemented by a Second Supplemental Trust Agreement, dated as of October 1, 2020 (collectively, the “Trust Agreement”), each between the Authority and U.S. Bank National Association, as trustee. The County agrees as follows:

#### ARTICLE I DEFINITIONS

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

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

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

**“Audited Financial Statements”** means the annual financial statements, if any, of the County, audited by such auditor as shall then be required or permitted by State law or the Trust Agreement. Audited Financial Statements shall be prepared in accordance with GAAP for governmental units as prescribed by GASB; provided, however, that the County may from time to time, if required by federal or State legal requirements, modify the basis upon which its financial statements are prepared.

**“Counsel”** means Norton Rose Fulbright US LLP, or other nationally recognized bond counsel or counsel expert in federal securities laws, in each case acceptable to the County.

**“Filing Date”** shall have the meaning given to such term in Section 3(a) hereof.

**“Financial Obligation”** means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

**“Fiscal Year”** shall mean the twelve month period at the end of which financial position and results of operations are determined. Currently, the County’s Fiscal Year begins July 1 and continues through June 30 of the next calendar year.

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

**“Holder”** or **“holder”** shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a Bond.

**“Material Event”** means any of the following events with respect to the Bonds, whether relating to the County or otherwise:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults; if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 570-TEB) or other material notices or determinations with respect to or events affecting the tax status of the Bonds;
- (g) modifications to rights of holders, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the County;
- (m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating any such actions, other than pursuant to its terms, if material;



- (n) appointment of a successor or additional paying agent or the change of name of a paying agent, if material;
- (o) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding clause (1) of the defined term “Material Event” is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the County in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County, and (b) the County intends the words used in the immediately preceding clauses (o) and (p) of the defined term “Material Event” and the definition of Financial Obligation in this Section 1.1 to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

**“Material Event Notice”** means notice of a Material Event.

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

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

**“Participating Underwriter”** shall mean any of the original underwriters of the County’s Bonds required to comply with the Rule in connection with the offering of such Bonds.

**“Repository”** means The Electronic Municipal Market Access (“EMMA”) system administered by the MSRB. EMMA is recognized as a national Repository for purposes of the Rule.

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

**“SEC”** means the United States Securities and Exchange Commission.

**“State”** means the Commonwealth of Virginia.

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

“Underwriters” means the winning bidder of the Bonds.

## **ARTICLE II THE UNDERTAKING**

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

### **Section 2.2. Annual Financial Information.**

(a) The County shall provide Annual Financial Information for the County with respect to each fiscal year of the County, that is not later than March 31 after the end of any fiscal year (commencing with its fiscal year ended June 30, 2020), to the Repository.

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

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

### **Section 2.4. Notices of Material Events.**

(a) If a Material Event occurs, the County shall provide, a Material Event Notice to the Repository no later than ten (10) business days after the occurrence of such Material Event.

(b) Upon any legal defeasance of the Bonds, the County shall provide notice of such defeasance to each the Repository, which notice shall state whether the Bonds to be defeased have been defeased to maturity or to a redemption date and the timing of such maturity or redemption.

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

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

**Section 2.7. No Previous Non-Compliance.** The County represents that, except as disclosed in the Official Statement dated, October \_\_, 2020, with respect to the Bonds, it has not failed to comply in any material respect during the five-year period preceding the date of the Official Statement, with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

### ARTICLE III OPERATING RULES

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

**Section 3.2. Submission of Information.** Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

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

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

### ARTICLE IV TERMINATION, AMENDMENT AND ENFORCEMENT

#### **Section 4.1. Termination.**

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

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

#### **Section 4.2. Amendment.**

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

(b) In addition to subsection (a) above, this Agreement may be amended and any provision of this Agreement may be waived, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date hereof which is applicable to this Agreement,

(2) the County shall have received an opinion of Counsel to the effect that performance by the County under this Agreement as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule and (3) the County shall have delivered copies of such opinion and amendment to the Repository.

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

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

**Section 4.3. Benefit; Third-Party Beneficiaries; Enforcement.**

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

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

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

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

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

**PRINCE WILLIAM COUNTY, VIRGINIA**

By: \_\_\_\_\_  
Director of Finance

**APPENDIX F**

Notice of Sale